

# Daily Report

# China

# **Daily Report**

### China

FBIS-CHI-93-192 CONTENTS 6 October 1993

NOTICE TO READERS: An \* indicates material not disseminated in electronic form.

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#### General

#### 'Special Article' on U.S. Stance on Yelstin

HK0510132093 Hong Kong WEN WEI PO in Chinese 5 Oct 93 p 2

["Special article" by Kuan Wen-liang (7070 2429 0081), special correspondent in New York: "Why Does the United States Support Yeltsin?"]

[Text] Moscow was rattled by gunfire as the contradiction between the Russian parliament and president deteriorated into an armed conflict. The U.S. Government and the mainstream mass media in the United States were nervous. President Clinton remarked several times that: "We must support Yeltsin." CNN carried live reports about the Moscow situation, 24 hours a day. The position of the U.S. Government and the attitude of the mainstream mass media in the United States once again showed the hypocrisy of U.S. "democracy diplomacy."

#### Clinton Telephone Calls Encouraged Yeltsin

Two weeks ago, Yeltsin unilaterally announced the disbanding of the Russian parliament and required that the people elect a new parliament in November. President Clinton immediately issued a statement expressing unreserved support and also telephoned Yeltsin to encourage him. After tense confrontation for more than 10 days, fights between civilians and policemen broke out in the Moscow streets, followed by a hail of bullets and heavy gunfire. Clinton, promoting his health care program in California, reiterated his support for Yeltsin. To justify this, the White House and the State Department argued: Yeltsin is a president "elected by the people." He disbanded the parliament in order that the people may "freely elect" a new parliament. This is in line with the "democracy principle" always cherished by the United States....

Zbigniew Brzezinski, political science professor at Columbia University and national security adviser in the Carter administration, is an expert on Russian affairs. He said on a television program last week: "These Russian congressmen are followers of Brezhnev" so they should be kicked out; Yeltsin is the representative of the "democratic forces," which is in keeping with the interests of the United States. The mainstream press and electronic mass media also echoed the same point of view in their reports and commentaries, saying that "the United States should support Yeltsin" and describing the parliamentary opponents of Yeltsin as "excommunists," "hardliners," "extreme nationalists," "an extremely dangerous force," and an "empire restoration force"....

#### Gorbachev Was Kicked Out Overnight

Does the Clinton administration and the mainstream mass media really support "democracy?" An Asian diplomat in Washington said: Many facts show that the United States supports Yeltsin's "pro-American" position rather than "Russian democracy," as the Bush administration and the mainstream media also gave full support to Gorbachev three years ago!

The diplomat pointed out: In those days, the United States said that Gorbachev was representative of the "forces of democratic reform"; Gorbachev was also obedient to Washington and did not hesitate to exchange the national interests for the satisfaction of the United States. He then used the "detente" as a weapon to eliminate his political rivals at home and consolidate his political status. This diplomat said: "Gorbachev begged for Western aid in order to rescue the crisis-ridden Soviet economy." "Gorbachev and Yeltsin put on a show of bidding for favor in Washington, and this remains fresh in the memory of us diplomats."

Afterwards, strife broke out between Gorbachev and Yeltsin, with Yeltsin getting the upper hand. The United States discarded Gorbachev overnight, its "real friend" and "leader of democratic reforms" for many years, and shifted to support Yeltsin. Then Washington and the mainstream media in the United States immediately lauded Yeltsin as the "forerunner of democratic reform." At the same time, the American officials and Russian affairs experts said that Gorbachev kept a "communist tail" and was "not democratic enough." By comparison, Yeltsin dared to disband the Communist Party and was a thorough democrat. However, such argument was obviously farfetched, as all people in the world know that Gorbachev, rather than Yeltsin, was the "great hero" in disbanding the Communist Party.

#### Two Points People Might Learn

Some people said that the diplomatic behavior of the United States might at least make people understand two points: First, what the United States welcomes are "pro-American regimes," always being subservient to Washington, and it is better if they are simply vassal states. Second, when someone in a foreign country meets the "pro-American" standards, the United States and its mainstream media will laud him as "democratic reformer" at any time and in any circumstances, although he may be completely irrelevant to democracy.

Is it justifiable for the United States and its mainstream media to interfere in Russia's internal political strife on the grounds of "supporting democracy?" A political analyst said: Although Yeltsin is an elected president, "he does not have the power to disband parliament and such a move is obviously unconstitutional." The current Russian parliament was not "created" by the CPSU; instead, it was elected in 1990 according to the 1989 Revised Constitution. In the early stages, the parliament gave great support to Yeltsin and opposed the "remnants of the former communist hardliners." Speaker Khasbulatov was for some time a strong supporter of Yeltsin.

Robert Daniels [dan ni er si 0030 1441 1422 2448], honorary professor of university of Vermont's History

Department, pointed out: The real reason why the current Russian parliament opposes Yeltsin lies in its dissatisfaction with the government's economic performance in recent years and its action of "applying the brakes" on Yeltsin's economic policies. The differences on economic policies then led to a power struggle, which further developed into political antagonism. This Russian history professor added: Yeltsin "damaged" the principles for the federal system, attempted to control local assemblies, ordered local assembly leaders who opposed him to "resign," and created division and confrontation in all parts of the country.

#### The Key Lies in Preserving U.S. Hegemony

Robert Dole, Senate Republican leader, indirectly admitted that the disputes between Yeltsin and the Russian parliament were focused on economic policies, so he said on a television program on Sunday: "Maybe, we (referring to the U.S. Government) should not force Yeltsin to move too fast in economic reforms." Political analysts here said: The United States has found that the Russian economy is a "vital weak point," so it continues to lure Russia with economic aid in order to bring Russia into the Western economic system. Thus, the West will be able to use its strong economic force to dash the remaining foundations of the former Soviet Union and control the Russian economy. This will eradicate Russia's ability to stage a comeback and contend for world hegemony with the United States.

People who have a basic knowledge about the U.S. Constitution know that the "separation" and "counter balance" of the administrative, legislative, and judicial powers is one of the most important principle of the U.S. democratic system. The United States and its mainstream media strongly demand that Russia pursue a "Western-style democratic reform"; on the other hand, they support Yeltsin's move of "arbitrarily disbanding parliament" and thoroughly and flagrantly trampling upon the "counterbalancing system" of Western democracy. Therefore, some diplomats in Washington shook their heads and said: "What the United States is interested in is a pro-American regime. It is of no importance whether or not there is democracy!"

#### Article Notes U.S. Stance on EAEC, APEC

OW0510101493 Beijing XINHUA in English 0857 GMT 5 Oct 93

[Text] Singapore, October 5 (XINHUA)—The United States does not want to see the East-Asia Economic Caucus (EAEC) undermine the Asia-Pacific Economic Cooperation (APEC), said U.S. Assistant Trade Representative Robert Cassidy here this noon.

Cassidy made this remarks at a press conference after his meeting with senior ASEAN economic officials this morning.

Cassidy said today's meeting with ASEAN senior officials is "very productive and very friendly".

Asked what is the U.S. Government's stand if the ASEAN governments want to put the EAEC under the APEC at the APEC leaders conference in Seattle next month, Cassidy said that U.S. did not want to see EAEC undermine the APEC. He did not say why but he said APEC was "a logical forum", because of trade between the Asia-Pacific countries.

The two-day ASEAN economic officials meeting is preparing for the 4th ASEAN Free Trade Area (AFTA) Council meeting tomorrow and the 25th ASEAN Economic Minister Meeting (AEMM) from October 7-8. And Cassidy is coming here for preparing an U.S.-ASEAN economic meeting in Seattle.

Cassidy said senior economic officials from U.S. and ASEAN had agreed at today's meeting that an U.S. trade representative and ASEAN economic ministers' meeting would be held in Seattle during the APEC summit meeting in November.

Although the details of its agenda were not known, the issues to be discussed at the meeting will include the Uruguay Round of multilateral trade negotiations and trade and economic cooperation between us and ASEAN, he said.

#### UK Consults U.S. on Nuclear Test Resumption

OW0510194793 Beijing XINHUA in English 1841 GMT 5 Oct 93

[Text] Blackpool, England, (XINHUA)—British Foreign Secretary Douglas Hurd said today that Britain is considering resuming nuclear testing and is discussing the matter with the United States.

Speaking to reporters during the Conservative Party's annual conference here, Hurd described U.S. President Bill Clinton as "very reasonable" in making it clear that the U.S. would resume nuclear testing.

Noting that Britain used U.S. test facilities in Nevada, Hurd said: "We now need to concert a line and a policy with the Americans, and that is under way."

Clinton today told the U.S. Department of Energy to prepare for a possible resumption of nuclear testing next year.

#### Reportage on Qian Qichen Activities in New York

#### Meets UN President, Ministers

HK0610064393 Beijing RENMIN RIBAO in Chinese 3 Oct 93 p 6

[Dispatch by reporter He Hongze (0149 3163 3419): "Qian Qichen Meets With UN General Assembly President, Foreign Ministers of Six Countries"]

[Text] United Nations, 1 Oct (RENMIN RIBAO)—Qian Qichen, Chinese vice premier and foreign minister, met here today with current UN General Assembly President

Samuel R. Insanally, Guyana's permanent representative to the United Nations, and the foreign ministers of the United Kingdom, Kazakhstan, Kuwait, Malta, Iran, and Libya.

Foreign Minister Qian Qichen congratulated Samuel R. Insanally, president of the current UN General Assembly, on his new post, wishing him every success during his tenure of office. He also said that China, as a permanent member of the UN Security Council, would support his work. Foreign Minister Qian invited Samuel R. Insannally to visit China, and the latter thanked China for its support. Samuel R. Insannally said that the development issue should be a key subject for discussion at the current assembly.

When meeting with British Foreign Secretary Hurd, both sides exchanged views on arrangements for the 1994 and 1995 Hong Kong elections, the work of the Sino-British Joint Liaison Group, and international issues of common interest. They agreed that efforts should be made to speed up the talks and to continue seeking workable solutions to relevant problems.

When meeting with Foreign Minister Tuleutai Suleymenov of Kazakhstan, Foreign Minister Qian said that Kazakhstan is a country with an important position and influence in Asia. To develop long-term, stable, and good-neighborly and friendly relations between China and Kazakhstan complies not only with the common interest of the two peoples, but also will benefit peace and stability in the region and even the world. He pointed out that relations between the two countries had been developing well and that the two countries' economies were mutually complementary. The forthcoming visit by President Nursultan Nazarbayev will be a great event in bilateral relations. He hoped the visit will bring the relations to a new level. Foreign Minister Sulevmenov said that cooperation in economy, trade, and other fields had been developing well and that further development of friendly bilateral relations would be beneficial to both peoples.

During his meeting with Sabah al-Ahmad al-Sabah, foreign minister and also deputy prime minister of Kuwait, Foreign Minister Qian said that China supports Kuwait in safeguarding national independence, state sovereignty, and territorial integrity, and will make due efforts in overall implementation of the resolutions adopted by UN Security Council concerning the Gulf issues. Foreign Minister Qian invited al-Sabah to visit China, and the Kuwaiti minister thanked China for its friendly support.

At the meeting with Guido de Marco, deputy prime minister and foreign minister of Malta, Foreign Minister Qian said relations between China and Malta had developed smoothly and there had been frequent contacts between their leaders. The two countries have respected and trusted each other. It can be said that China-Malta relations are an example of the development of relations of equality and mutual benefit between large and small

countries. Foreign Minister de Marco said he completely agreed with Foreign Minister Qian on the evaluation of bilateral relations. He also briefed the Chinese foreign minister on the Mediterranean situation. Foreign Minister Qian and Iranian Foreign Minister Velayati exchanged views on bilateral relations and international issues of common interest. Qian also met with Libyan foreign minister.

#### Comments on UK, Hong Kong

HK0610041393 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 4 Oct 93 p 1

[XINHUA report: "Qian Qichen Speaks on Smooth Transition and Power Transfer in Hong Kong"]

[Text] United Nations. 2 Oct (XINHUA)—When meeting Chinese reporters here on 2 October, Qian Qichen, vice premier of the State Council and foreign minister, said that, if the British side insists on going ahead with its own set of plans in the remaining few years, then it will not be possible to realize Sino-British cooperation and a smooth transition.

Qian Qichen said that this does not matter. China will not be able to recognize the 1994/1995 elections in Hong Kong or anything else done by the British side to bring about the so-called reform of the political system, all of which will become null and void on 30 June 1997.

He said that a smooth transition will still be possible, but it will not mean the transition of the people and institutions elected in 1994/1995.

He stressed that, if the Chinese and British sides can cooperate in the last few years of the transitional period, it will undoubtedly be good for Hong Kong's smooth transition and successful transfer of power.

#### Views UN Role, Taiwan

HK0610110993 Beijing RENMIN RIBAO in Chinese 4 Oct 93 p 6

[Dispatch by reporter He Hongze (0149 3163 3419): "Qian Qichen Answers Chinese Reporters' Questions on Characteristics of Current UN General Assembly, Hong Kong Issue. Role and Future of the United Nations, and Other Issues"]

[Text] United Nations, 2 Oct (RENMIN RIBAO)—Qian Qichen, Chinese vice premier and foreign minister, who is attending the 48th UN General Assembly in New York, gave an interview to reporters from this newspaper, the International Radio, and other PRC media, answering their questions on the characteristics of the current UN General Assembly; the role and future of the United Nations; the Hong Kong issue; and his diplomatic activities during the UN General Assembly.

[Reporter] What are the characteristics of the current UN General Assembly?

[Qian Qichen] Though expressing different positions in their speeches at the UN General Assembly, many representatives pointed out the rapid economic growth in the Asia-Pacific region. They all were concerned over the turmoil in Europe, but they could not find a solution. This is a consensus reached by all countries, indicating that a great change is taking place in the world situation. Again, the current UN General Assembly is relatively calm. Before the UN General Assembly opened, the Taiwan authorities clamored for "reentry" into the United Nations, but only an extremely few representatives mentioned the issue. This issue was not placed on the agenda and failed to attract ample attention.

[Reporter] Your speech at the assembly was well received. Which points, do you think, gained support?

[Qian] The speech by China's representative was supported and hailed by quite a number of countries. This is because China said what many countries would have liked to say, but found it inconvenient to do so. For instance, we maintained that all countries, large or small, should treat each other as equals, and we opposed hegemonism and power politics by which large, strong countries coerce and humiliate small, weak ones. Again, we hoped the United Nations would pay greater attention to the question of development because while we should maintain world peace, we should be aware that the problem of development besets many countries. All these arguments were supported by many countries.

[Reporter] Since you have met with the leaders of many countries, how do you assess the relations between China and these countries?

[Qian] During the current UN General Assembly, I have met the leaders of 60 countries. Such extensive contacts indicate that many countries want to listen directly to China's opinions on matters of concern to them. This also shows that China's international standing has risen day by day since the international situation underwent a great change. The bipolar world structure has come to an end and we are in a position to speak on behalf of Third World countries. There is only one superpower now. We believe that it is unlikely that the world will be controlled by a superpower. The world is to move in the direction of multipolarization and this process has begun. Under the circumstances, many countries would like to hear China's opinions on several issues.

[Reporter] One source said your meeting on the Hong Kong issue with British Foreign Secretary Douglas Hurd failed to make progress. What are your differences? How will the two sides cooperate with each other in the next three years?

[Qian] If there is cooperation between China and the United Kingdom in the years remaining before 1997, it will be good for the smooth transition and the successful transfer of power. If the British side decides to go ahead with its own set of plans, which is not in line with the regulations of the Basic Law, it will be impossible to realize Sino-British cooperation and a smooth transition.

If that is the case, it does not matter. It will mean that China will not recognize the 1994/95 election in Hong Kong, as well as what will be done by the British side concerning the so-called constitutional reform, and they will become null and void on 30 June 1997. In that case, a smooth transition also will be possible, but it will not be a transition with the same people and same institutions elected in 1994/1995.

[Reporter] The United Nation is playing a more and more important role in international affairs, but it is now in financial straits. The UN secretary general expressed great concern over this. What is your opinion on the future of the United Nations?

[Qian] The United Nations has been able to play its role, which has become more and more important, but this does not mean that the United Nations should take care of all international affairs. I have suggested to the secretary general that the United Nations should make only the most necessary interference in the conflicts endangering world peace. The United Nations should give full play to regional organizations and should allow the two belligerent parties to hold talks. In fact, some issues, such as the Middle East, could not be settled by the United Nations. The United Nations cannot afford the expenditure if it has to send mediators whenever something happens.

[Reporter] In your view, how will the United Nations better handle the relations between maintaining world peace and promoting development?

[Qian] We have maintained consistently that the United Nations should take the responsibility for maintaining world peace and promoting development. Though maintaining peace is an important matter for areas in chaos, most countries—and developing countries, in particular—hope the United Nations will help them develop their economies through, for instance, defining better trade conditions and setting up a more fair and reasonable international economic order. The secretary general said they were planning to formulate a "program for development." I said that this was a good idea. I hope the United Nations will make greater efforts in this respect because this is what the developing countries need.

#### 'Roundup' on New York Visit

OW0510124693 Beijing XINHUA Domestic Service in Chinese 0754 GMT 4 Oct 93

["Roundup" by reporter Zhao Renfang (6392 0088 2455): "Qian Qichen's New York Visit Yields Great Results"]

[Text] New York, 3 Oct (XINHUA)—Qian Qichen, Chinese vice premier and foreign minister, left here for home at noon today after attending the 48th UN General Assembly [UNGA] and successfully completing a series of foreign relations activities in New York.

During his stay in New York, Qian Qichen delivered a speech at the current UNGA. In the speech, he comprehensively expounded China's principled stance on the current international situation, China and its policies, the UN's role and reform, and other issues. In addition, he met with about 70 foreign heads of state, government leaders, foreign ministers, and international organization leaders.

Qian Qichen said during an interview with reporters on 2 October: The Chinese delegation's speech had been approved and supported by many countries, because China had said what many countries wanted to say.

After Qian Qichen finished his speech on the morning of 29 September, representatives from more than a dozen countries, including Senegal, Singapore, Chile, Kazakhstan, and Djibouti, congratulated and praised the Chinese delegation.

Qian Qichen said: The wide contacts and talks reflect that many countries wanted to hear directly China's views on matters of common interest, which indicates that China's international status has been raised with great changes taking place during the past few years.

China had its own special role to play in the present world situation and could speak for some developing countries or Third World countries, Qian added.

During his New York stay, Qian Qichen met with the foreign ministers of many developing nations, in addition to meeting those of developed nations, such as Germany, Japan, the United States, France, and the United Kingdom. He also met with the foreign ministers of the Rio Group, ASEAN, the (duty chairmanship state) of the EC and the Gulf Cooperation Council for the Arab States, as well as the UN secretary general, the current UNGA president, and the Arab League secretary general.

During these meetings, the two sides emphatically exchanged views on bilateral relations and international issues of common concern, and expressed willingness to further develop and strengthen bilateral relations and friendly cooperation.

## UN Envoy Li Zhaoxing Comments on Various Issues

#### On Peacekeeping in Croatia

OW0510032993 Beijing XINHUA in English 0309 GMT 5 Oct 93

[Text] United Nations, October 4 (XINHUA)—The Security Council today extended the mandate of the United Nations Protection Force (UNPROFOR) in Croatia till March 31 next year.

The Security Council, by unanimously adopting resolution 871, authorized UNPROFOR, in carrying out its mandate in Croatia, to take necessary measures, including the use of force, to ensure its security and freedom of movement.

Condemning the continuing military attacks within the territory of Croatia and Bosnia and Herzegovina, the council called upon the signatories of the UN-peace-keeping plan for Croatia, in particular the Federal Republic of Yugoslavia, to cooperate in its full implementation.

The council affirmed that "the international community's position toward those concerned will take into account their actions in implementing all relevant resolutions." This implies that Yugoslavia could not normalize its international position if it did not stop supporting ethnic Serbs in Croatia and Bosnia.

Continued non-cooperation in the implementation of relevant Security Council resolutions or external interference would have serious consequences, it warned.

The council also called for an immediate cease-fire agreement between the Croatian Government and the local Serb authorities in the UN protected areas.

As a first step toward the implementation of the plan, the resolution stressed the importance of the process of restoring Croatian authority in the Serb-dominated "pink zones."

The mandate of UNPROFOR, established in February 1992, has been extended several times. Only on Thursday [30 September] and Friday the Security Council extended it twice for one day and then four days, because the previous mandate was to expire on Thursday and Croatia challenged the secretary-general's recommendation to extend it for six months by saying that UNPROFOR had failed to fulfill its tasks.

Speaking at the Security Council meeting, Li Zhaoxing, Chinese permanent UN representative, urged the Croatian Government and local Serbian authorities to settle their disputes at an early date through dialogue and negotiation so as to ensure that UNPROFOR could fulfill its mandate in an early and comprehensive manner.

He also pointed out that China is neither in favor of the invocation of Chapter VII of the UN Charter in peace-keeping operations nor of using sanctions as means to resolve conflicts. Therefore, China has reservations on certain elements embodied in this resolution.

He added that prudence should be exercised on the extension of air support in Croatia so as to avoid further complicating the matter and adversely affecting the political settlement process.

#### North-South Economic Gap 'Widening'

OW0610002093 Beijing XINHUA in English 2330 GMT 5 Oct 93

[Text] United Nations, October 5 (XINHUA)—Although some developing countries have achieved economic growth or recovery, the gap between the North and the South is not narrowing but widening, said Chinese U.N. Ambassador Li Zhaoxing here today.

Addressing the 17th foreign ministerial meeting of the Group of 77, Li said over the past year many developing countries, while committed to the resumption of North-South dialogue, regional economic cooperation and South-South cooperation, have carried out structural adjustment and market-oriented reform in pursuit of development strategies suitable to their respective national conditions.

Li said it is regrettable to see that the revitalization of their economies the developing countries have been hoping for has remained elusive because of further deteriorated external economic environment.

Li listed major reasons as falling commodity prices in an international market where demand is depressed, intensified protectionism on the part of developed countries, declined official development aid attached with increasingly stringent political conditions, and the exclusion of developing countries from major policy-making processes.

It is the inalienable right of the peoples of developing countries to shake off poverty and backwardness, and in the long run, world peace and prosperity cannot be sustained without the development of developing countries, the ambassador said.

While stating that developing countries must realize economic revitalization and recovery primarily through their own efforts, Li called on the world community to establish "a new international political and economic order of peace, stability, justice and equality on the basis of respect for the sovereign right of each people to choose their own road to development and economic model."

To that end, Li said, it is necessary for the international community to strengthen dialogue in such traditional fields as commodity, trade, debt, money and finance, carry out appropriate reform and adjustment and conduct wide-ranging cooperation in such emerging fields as poverty reduction, sustainable development and population and development.

Li continued that the United Nations should and can play a greater role in strengthening international economic cooperation for the development. An urgent task before the U.N. is to give the same attention to promoting economic development as peace-making and peace-keeping, and put economic recovery and the resumption of economic growth and the sustained development of developing countries at the top of the multi-lateral economic agenda.

Praising the group as a significant force in the world economic arena, Li said as long as the group can set store by the common interests and strengthen unity, it will write a new chapter in promoting international economic cooperation of the 90's, creating an environment favorable to the economic recovery and growth of developing countries and establishing a new international economic order.

#### Peacekeeping in Rwanda To Build 'Trust'

OW0610105993 Beijing XINHUA in English 1038 GMT 6 Oct 93

[Text] United Nations, October 5 (XINHUA)—The Security Council unanimously adopted Resolution 872 here today to start the United Nations Assistance Mission for Rwanda (UNAMIR) for a period of six months.

According to the resolution, the UNAMIR's mandate includes contributing to the security of the capital city of Kigali, monitoring observance of the cease-fire agreement, assisting with mine clearance, monitoring the precess of repatriation of Rwandese refugees and resettling displaced persons.

The resolution also urged the Rwandese Government and the Rwandese Patriotic Front to implement the Arusha Peace Agreement they signed on August 4, and take all appropriate steps to ensure the security of the operation and its personnel.

The peacekeeping operation will consist of 1,217 soldiers and 211 military observers, including the integration of 77 military observers from the U.N. observer mission Uganda-Rwanda and 54 from the neutral military observer group set up by the Organization of African Unity

Speaking at the Security Council meeting, Li Zhaoxing, Chinese permanent representative to the U.N., said that the peacekeeping operation, to be established on the repeated requirement of both parties concerned, will help them build mutual trust and in their efforts to realize national reconciliation and lasting peace.

#### DPRK Proposes Upgrading Armistice at UN

OW0510234993 Beijing XINHUA in English 2313 GMT 5 Oct 93

[Text] United Nations, October 5 (XINHUA)—The Democratic People's Republic of Korea (DPRK) today called for replacing the outdated Korean armistice agreement with a peace agreement.

"With a view to easing tension and achieving a durable peace on the Korean peninsula, the Korean armistice agreement should, inter alia, be replaced with a peace agreement," Song Won-ho, DPRK deputy minister of foreign affairs, told the 48th session of the UN General Assembly.

"The continuance in place of the out-of-date armistice arrangements is primarily responsible for a series of complicated and sensitive issues, including the nuclear issue on the Korean peninsula—issues still remaining to be resolved." he said.

The deputy minister said it is "abnormal" for the state of cease- fire and the armistice arrangements of the 1950s to remain unchanged even after 40 years.

"The United Nations should direct its primary attention to the replacement of the Korean armistice agreement with a peace agreement, and play its due role in terminating the armistice system and establishing a new peace arrangement," he said.

He urged that negotiations among the parties concerned should begin at the earliest possible time to work out a new peace arrangement that will replace the present armistice system.

The deputy minister said that "the nuclear issue on the Korean peninsula is a political issue to be resolved between the Democratic People's Republic of Korea and the United States of America," and "the only way to resolve" the issue lies in "dialogue and negotiations".

"The DPRK Government remains committed to its consistent position of turning the Korean peninsula into a nuclear-free, peace zone," he said. "We have no nuclear weapons; we have neither the intention nor the need to develop these weapons, nor the financial resources to support their production," he continued.

He declared, "we would not object to inspection of our nuclear facilities, but only when impartiality is fully guaranteed." And he criticized the recent resolution by the International Atomic Energy Agency (IAEA) on the nuclear issue as a "wanton violation of sovereignty" of DPRK.

#### Foreign Leaders Send National Day Greetings

OW0510131393 Beijing XINHUA Domestic Service in Chinese 1158 GMT 4 Oct 93

[Text] Beijing, 4 Oct (XINHUA)—In the past few days, more state and government leaders sent cables or letters to China's party and state leaders to warmly congratulate the PRC on its 44th founding anniversary.

Those who have sent congratulatory cables to President Jiang Zemin and Premier Li Peng to mark the national day were:

Mongolian President Punsalmaggivn Ochirbat and Mongolian Prime Minister Puntsagiyn Jasray.

Those who have sent congratulatory cables (letters) to President Jiang Zemin to mark the national day were:

Albanian President Berisha; Belgian King Albert II: Beninese President Soglo: Bolivian President Sanchez; Burundian President Ndadaye:

Congolese President Lissouba;

Ivorian President Houphouet-Boigny;

Cypriot President Kliridhis:

Czech Fresident Havel:

Finnish President Koivisto;

French President Mitterrand:

Shevardnadze, head of state and chairman of the State

Council of Georgia:

Guinean President Conte:

Kazakhstan President Nazarbeyev:

Kyrgyzstan President Akayey:

Kiribati President Teannaki;

Lithuanian President Brazauskas:

Paramount Ruler Azlan of Malaysia;

Malian President Konare:

Maltese President Tabone:

President Olter of the Federated States of Micronesia;

Moldovan President Snegg

Mozambican President Chissano;

Nepalese King Birendra:

Qatari Amir Khalifa

Saudi King Fahd:

Seychelles President Rene;

Singapore President Ong Teng Cheong:

Slovak President Kovac;

President Kucan of Slovenia;

Spanish King Juan Carlos I;

Sri Lankan President Wijetunge:

Swedish King Carl XVI Gustaf:

Swiss President Ogi:

Tanzanian President Mwinyi;

Thai King Phumiphon:

Togolese President Eyadema:

Turkish President Demirel:

Yugoslav President Lilic:

Zambian President Chiluba: Macedonian President Gligorev; and

Secretary General Saouma of the United Nations' Food

and Agriculture Organization.

Sending congratulatory cables (letters) to Premier Li Peng to mark the national day were:

First Premier Norodom Ranariddh and Second Premier Hun Sen of Cambodia:

Chairman Meksi of the Council of Ministers of Albania;

Azerbaijani Prime Minister Guseynov;

Prime Minister Valentic of Croatia:

Czech Prime Minister Klaus:

Lithuanian Prime Minister Slezevicius:

Malaysia Prime Minister Mahathir:

Mauritian Prime Minister Jugnauth;

Slovak Prime Minister Meciar:

Prime Minister Drnovsek of Slovenia;

Turkish Prime Minister Ciller:

Yugoslav Prime Minister Kontic; and

Macedonian Prime Minister Crvenkovski.

Sending congratulatory cables to Qiao Shi, chairman of the National People's Congress, to mark the national day were:

Chairman Abdildin of the Kazakhstan Supreme Soviet; and Chairman Rigelnik of the State Chamber of Slovenia.

In their congratulatory cables to President Jiang Zemin and Premier Li Peng, Mongolian President Punsal-maagiyn Ochirbat and Mongolian Prime Minister Puntsagiyn Jasray said: "The Mongolian people congratulate the PRC for upholding its opening policy and for its success in carrying out reform with its own characteristics. We believe that the PRC that undergoes steady progress and pursues peaceful foreign policies is not only an important factor for maintaining peace in Asia, but also in the world. We are satisfied with the expansion and progress in the relations and cooperation between Mongolia and China."

In his congratulatory letter to President Jiang Zemin to mark the national day, Singapore President Ong Teng Cheong said: "The relations between Singapore and the PRC are very good. I believe that following the implementation of the Suzhou Industry Park Project and economic cooperation projects in many other fields, our bilateral relations will be further strengthened in the future."

In his congratulatory cable to President Jiang Zemin, Zambian President Chiluba said: "Traditionally, there have been friendly and cooperative relations between Zambia and China. I would like to take this opportunity to reiterate that Zambia will uphold the 'one China' policy."

#### Comparison to Qian Qichen on UK Proposals OW0610025193

Beijing XINHUA Domestic Serivce in Chinese at 1547 GMT on 3 October carries a report on Qian Qichen's remarks on the United Kingdom's proposals for Hong Kong at a news conference in New York on 2 October. This version has been compared to the Beijing XINHUA in English version published under the subheading, "Qian on UK Proposals," in the 4 October China DAILY REPORT, page 3, revealing the following variation:

Column two, paragraph five, only sentence, make read: He also said that if there is cooperation between China and Britain in the remaining years before 1997 it will be good for the smooth transition and the successful transfer of power, and this is without a doubt [zhe shi hao wu yi wen di 6638 2508 3032 2477 3992 0795 4104]. (adding words and vernacular and STC's)

#### United States & Canada

#### Zhu Rongji Receives Canada's Brian Mulroney

OW0510131793 Beijing XINHUA in English 1256 GMT 5 Oct 93

[Text] Beijing, October 5 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Canadian former Prime Minister Brian Mulroney and Paul Desmarais, chairman of Power Corporation of Canada (PCC), here this evening.

They had a warm and friendly talk on the strengthening of the Sino-Canadian friendly relations and cooperation.

The Canadian visitors arrived here yesterday as guests of the China International Trust and Investment Corporation

PCC is one of the leading firms in Canada dealing with banking, timber, telecommunications, real estate and other businesses.

#### Rong Yiren Meets Mulroney

OW0610111893 Beijing XINHUA in English 1026 GMT 6 Oct 93

[Text] Beijing, October 6 (XINHUA)—Chinese Vice-President Rong Yiren met here today with former Canadian Prime Minister Brian Mulroney and Paul Desmarais, chairman of the Power Corporation of Canada (PCC), and hosted a banquet in their honor.

Rong said that maintaining friendly Sino-Canadian relations is beneficial to both sides, and added that there are many fields of cooperation between China and Canada.

Mulroney said that a good relationship with China is an important part of Canadian foreign policy, and that this point of view has been agreed upon by both major political parties in Canada.

Desmarais said that his visit has been fruitful despite a limited schedule.

Veteran revolutionary Bo Yibo also met with the Canadian guests. The vice-minister of China's Foreign Ministry, Liu Huaqiu, was present at the two meetings.

Mulroney. Desmarais and their party came to China as guests of the China International Trust and Investment Corporation. After leaving the capital, the Canadians will visit Shanghai and Shenzhen.

PCC, one of the leading firms in Canada, deals with banking, timber, telecommunications, real estate and other business sectors.

#### Correction to Column on President Clinton Speech HK0410030893

The following correction pertains to the item headlined "Column Views President Clinton's UN Address," published in the 30 September China DAILY REPORT, page 12:

Column one, paragraph three of item, sentence two, make read: He believed that the international community currently faces the following three issues: 1) Ethnic disputes in Angola and other regions; 2) preventing the proliferation of weapons of mass destruction in various forms; and 3) the environment, human rights, and ways

to cope with the destruction caused by terrorism. (subcututing word "terrorism" for "tourism")

Same column, paragraph five of item, sentence one, make read: As for the work carried out by the UN peace-keeping troops in dispute-ridden regions,... (deleting word)

# Comparison to Li Ruihvan Meeting Gallup Chairman

OW0410114893

Beijing XINHUA Domestic Service in Chinese at 0831 GMT on 4 October carries a 305-character report on Li Ruihuan receiving Gallup Incorporation's Chairman Donald Clifton. This version has been compared with the Beijing XINHUA in English version entitled, "Li Ruihuan Welcomes Gallup Chairman Clifton," published in the 4 October China DAILY REPORT, page 4, revealing the following variations:

Column one, paragraph four, sentence one, make read: Discussing Sino-U.S. ties, Li reaffirmed that China attaches importance to developing its relations with the United States. (adding word "developing")

Same paragraph, sentence two, make read: ...social circles of the two countries. [new paragraph]

Gallup Incorporation is a world-renowed corporation of market investigation and public opinion poll. Clifton is a celebrated professor of psychology. [new paragraph]

Clifton told Li... (adding paragraph)

#### Central Eurasia

#### Procurator General Meets Russian Delegation

OW0510132493 Beijing XINHUA in English 1244 GMT 5 Oct 93

[Text] Beijing, October 5 (XINHUA)—Zhang Siqing, procurator-general of the Supreme People's Procuratorate of China, met and hosted a dinner here this evening for a Russian delegation of procurators, which is headed by Mikhail Slavgorodskiy, deputy procurator-general of the Russian Federation.

That is the first delegation to China from the procuratorial organ of Russia.

Tomorrow, Zhang is scheduled to hold talks with the Russian delegation on ways to strengthen the exchanges and cooperation between the procurators' offices of the two countries.

Apart from Beijing, the delegation will tour Hainan in south China, during an eight-day visit.

#### Jilin Receives Russian Journalist Delegation

SK0610092793 Changchun JILIN RIBAO in Chinese 14 Sep 93 p 1

[Text] After winding up its eight-day friendly visit to Jilin Province, the NEW DAILY journalist delegation from Russia's Volgograd region left Changchun for home by train on the morning of 11 September. This delegation came to visit the province upon the invitation of JILIN RIBAO Agency.

Headed by Smilenov Victory Bolisov, chief editor of NEW DAILY of the Volgograd region, this threemember journalist delegation arrived in the province on 3 September. Warmly accompanied by the host, this delegation observed the JILIN RIBAO editing and publishing system and talked and conferred with responsible JILIN RIBAO people on cooperation between the two newspapers. While covering news at the grass-roots units, the delegation went to the Changchun No. 1 Motor Plant to carefully watch the motor production process and to learn about the province's situation in developing the motor industry. The delegation was deeply impressed by the advanced technology and equipment of Deda Company, a Chinese-foreign joint venture, and by the considerable efficiency of foreign exchange earned from export by this company. The delegation also earnestly inquired about the major ways of Dehui County in agricultural production, processing, and transformation and about the basic experiences gained by this county in this regard. At Aladi Village in Yongji County's Wulajie Town, the delegation visited the village-run school, some shops, and some peasant families. The delegation also investigated the village's situation in carrying out the output-related contract responsibility system.

#### Jilin Receives Russian Land Resources Delegation

SK0610103793 Changchun JILIN RIBAO in Chinese 14 Sep 93 p 1

[Text] On the afternoon of 13 September, at Changbaishan Guesthouse, Vice Governor Wang Guofa met with the delegation of the land resources management committee of the Russian Federation, headed by Glomov [name as published]. The two sides had a cordial and friendly talk. On behalf of the provincial government, Vice Governor Wang Guofa extended a warm welcome to the guests on their visit. He briefed the guests on the province's situation in natural resources, economic construction, reform and opening, and foreign trade. He said: Like the whole country, our province has experienced very rapid progress in the economy, a gratifying change in urban and rural outlook, and an improvement in the people's living standards. Our province has formulated a series of preferential policies to absorb foreign investment. Wang Guofa added: Our Hunchun is contiguous to Russia. In recent years, border trade has developed very quickly in Hunchun. In addition, he expressed the hope of further expanding the scale of cooperation between the two sides.

Glomov thanked Vice Governor Wang Guofa for his reception.

The current visit by this delegation is aimed at learning about the province's situation in land management, land use in particular.

#### Reportage on Yeltsin's Activities in Moscow

#### **Considering Dissolving Councils**

OW0510135293 Beijing XINHUA in English 1319 GMT 5 Oct 93

[Text] Moscow, October 5 (XINHUA)—President Boris Yeltsin is considering dissolving all local councils throughout Russia following a bloody political crisis, ITAR-TASS news agency reported today.

The agency quoted Pyotr Filippov, a close aide to Yeltsin, as saying that the president was considering whether all local councils should be dissolved or only those which had backed parliament.

Earlier today, Yeltsin sacked two regional governors for siding with the rebellious parliament.

The two governors dismissed were Votaly Mukha of Novosibirsk and A. Surat of Amur. The two men opposed Yeltsin's September 21 decree to dissolve the parliament.

Yeltsin's Monday suppression of the legislature met with opposition from a majority of local council leaders.

Also today, the Russian leader postponed an inaugural meeting of the local council leaders. He also ordered the dissolution of Moscow City Council.

#### **Tightens Curfew in Moscow**

OW0510151593 Beijing XINHUA in English 1443 GMT 5 Oct 93

[Text] Moscow, October 5 (XINHUA)—President Boris Yeltsin today tightened a curfew in Moscow and imposed stricter security measures to "clean out" the city of criminal elements.

The move came after government troops put down a rebellion led by the parliament.

Under the curfew which lasts from 11 p.m. to 5 a.m., police are authorized to search vehicles and individuals suspected of not holding a valid resident's permit for the capital.

Checkpoints would also be set up to enforce the measures, according to Moscow Mayor Yuriy Luzhkov.

Tens of thousands of police, along with groups of civilians, would be brought in to man the checkpoints during the curfew.

Luzhkov told a meeting of senior city administration officials that the measures could help "clean out" the city of criminal elements, the INTERFAX news agency reported.

The curfew would remain in force "as long as is required to restore order in the city," Luzhkov was quoted as saying.

#### Replaces Procurator General

OW0510161093 Beijing XINHUA in English 1505 GMT 5 Oct 93

[Text] Moscow, October 5 (XINHUA)—President Boris Yeltsin today sacked Russia's Prosecutor-General [Procurator General] Valentin Stepankov, apparently for his leaning towards the defiant parliament.

Stepankov was replaced by Aleksey Kazannik, a lawyer from Omsk in Siberia.

Stepankov had been accused by Yeltsin's supporters of blocking sensitive investigation into corruption of law-makers and favoring the legislature.

But Stepankov switched side to Yeltsin's camp in late September when the president dissolved the parliament.

#### Names Shumevko Information Minister

OW0510193093 Beijing XINHUA in English 1841 GMT 5 Oct 93

[Text] Moscow, October 5 (XINHUA)—Russian President Boris Yeltsin today named Vladimir Shumeyko press and information minister to control the media in Russia, the ITAR-TASS news agency reported.

Shumeyko, an active first deputy prime minister in the Russian cabinet, has faithfully implemented orders of the president on his post.

The INTERFAX news service said Shumeyko was appointed only as a temporary press and information minister and he will work on the new post till a new minister is named.

On the same day, Yeltsin also named Aleksey Kazannik Russia's procurator-general to replace Valentin Stepankov. ITAR-TASS said Kazannik "had been brought to Moscow from his native city of Omsk."

#### Cancels Newspaper Censorship

OW0610105293 Beijing XINHUA in English 1029 GMT 6 Oct 93

[Text] Moscow, October 6 (XINHUA)—President Boris Yeltsin today ordered cancelation of newspaper censorship, the presidency's press secretary Vyacheslav Kostikov announced.

The censorship was adopted on Monday [4 Monday] after the conflict between the parliament supporters and government forces.

The measure had been taken temporarily in the "state of emergency," said Kostikov.

Recently, Yeltsin has ordered banning of over a dozen newspapers holding opposite views and imposed censorship on some leading newspapers in the capital.

Yeltsin declared a state of emergency on Sunday and ordered an assault on parliament on Monday.

#### Grachev Says 'Rebellion' Leaders To Be Punished

OW0510192893 Beijing XINHUA in English 1840 GMT 5 Oct 93

[Text] Moscow, October 5 (XINHUA)—Russian Defense Minister Pavel Grachev said today the "bloody rebellion" leaders will be "punished."

In a statement issued here, Grachev said "The threat of a civil war had been averted."

"A wave of hatred and death was stopped in Moscow, the bloody rebellion was suppressed. Its leaders were arrested and will be punished," the minister said.

According to ITAR-TASS news agency, 140 key figures in the "Moscow mutiny," including parliament speaker Ruslan Khasbulatov and Vice President Aleksandr Rutskoy, are held in the isolation ward of the Lefortovo Prison under the Russian Security Ministry.

Among them are also "shadow" Security Minister Viktor Barannikov, General Albert Makashov and parliament-appointed Defense Minister Vladislav Achalov and Interior Minister Andrey Dunayev.

All those were detained Monday [4 October] at the end of a 10- hour assault launched by over 1,000 special troops with over 100 T- 72 Tanks and armored cars against the parliament building, or the Russian White House.

A spokesman in Moscow's main medical board told reporters that there were 526 people were killed or injured in the turmoil in Moscow from 09:00 a.m. October 3 to 06:00 a.m. October 5. As many as 421 people were hospitalized, 46 given out-patient treatment, and 59 died.

However, local TV report said a total of 109 people had been killed.

But a high-ranking Interior Ministry officer said at the White House Tuesday morning that there had been about 500 people killed just inside the parliament building during the Monday attack. The death toll has not yet been confirmed by the authorities.

Some 1,500 people were arrested in the parliament building area Monday night, ITAR-TASS said today.

# Tanks Withdraw From Russian Parliament Building

OW0510194693 Beijing XINHUA in English 1848 GMT 5 Oct 93

[Text] Moscow, October 5 (XINHUA)—About 100 roaring tanks and armoured vehicles started pulling out from round the parliament building on Tuesday [5 October] afternoon as the current crisis in Russia settled after the surrender of parliament supporters.

The military vehicles, including 80 T-72 tanks, left the White House area, where a day-long bloody battle took place on Monday.

The fierce fighting between parliament defenders and pro-president troops ended with a victory by President Boris Yeltsin over former Parliament Speaker Ruslan Khasbulatov and Vice President Aleksandr Rutskoy.

According to Moscow City authorities, at least 32 people died and 200 wounded in the fighting on Monday.

But a high-ranking officer of the interior troops guarding the White House told reporters that over 500 people were killed inside the building during the battle.

The flames of fire which started at the White House building on Monday has been put out on Tuesday.

#### 'Calm' 'Generally Restored'

OW0610010393 Beijing Central People's Radio Network in Mandarin 2230 GMT 5 Oct 93

[Report by Moscow correspondent Wang Dongzheng; from the "National Hookup" or "News and Press Review" program]

[Text] Calm was generally restored in Moscow yesterday [5 October]. Barricades had basically been removed by yesterday morning, while public transportation was observing normal schedules. Subway stations in the vicinity of the Russian parliament building were also open, and factories, enterprises, and stores were conducting business as usual.

According to reports, a total of 1,452 armed opponents were arrested in Moscow during the two days of armed conflict. At a news briefing yesterday, Director (Solovyev) of the Moscow Medical Bureau disclosed that at least 108 people had died and more than 500 were wounded in the armed conflict over the past few days. However, the number of deaths inside the Russian Parliament building is still unknown.

According to another report, Yeltsin signed a decree on the evening of 4 October declaring that a series of supplementary measures will be taken to enforce the state of emergency in Moscow. Under the decree, law enforcement personnel should check the identification of pedestrians and, when necessary, conduct body searches, or search their residences and vehicles. In addition, at the municipal government meetings yesterday Moscow Mayor Luzhukov announced the dissolution of soviets at all levels in Moscow and the extension of the state of emergency pending on the needs.

According to another report, the special controls exercised by the Russian Government over posts and telecommunications, transportation, and other important departments has basically brought the situation in the country under control. President Yeltsin will pay an official goodwill visit to Japan as scheduled from 11 through 13 October.

# Shevardnadze Imposes Curfew in Georgian Capital

OW0510160993 Beijing XINHUA in English 1511 GMT 5 Oct 93

[Text] Moscow, October 5 (XINHUA)—The head of state of Georgia Eduard Shevardnadze today issued an order imposing a curfew in the capital city of Tbilisi from 11 p.m..

Shevardnadze made his decision after local troops in western Gerogia seized the Abkhazia region and forces of former President Zviad Gamsakhurdia swept through some important cities and areas.

#### Northeast Asia

#### Jilin's Tumen Jiang Development Team in Japan

SK0610035293 Changchun JILIN RIBAO in Chinese 16 Sep p 1

[Text] To realize the strategic goal defined by the sixth provincial party congress on building a developed border and near-the-sea province the 64-member Tumen Jiang Area development and exchange team of Jilin Province satisfactorily completed its visit to DPRK's Chongjin Port and Russia's Vladivostok Port. The team, headed by Zhang Dejiang, deputy secretary of the Jilin Provincial CPC Committee and secretary of the Yanbian Prefectural CPC Committee, smoothly arrived in Sakaiminato, a city on the west coast of Japan, on 13 September on the Xiangyang No. 9 scientific observation ship run by the North Sea branch of the State Oceanography Bureau. The team received a warm welcome by the government of Sakaiminato city and by the figures on various circles.

The team's current trip was approved by the provincial government and greatly supported by relevant state departments and commissions. This team departed Qingdao Port on 3 September to conduct development and exchange activities in the areas around the Sea of Japan.

After arriving in DPRK's Chongjin Port on 6 September, Zhang Dejiang and other members paid an official call to Paek Hwa-yong, vice chairman of the administrative and economic guidance committee of Nove Hamgyong Province, and had a friendly conversation with him. Zhang Dejiang said: Located in the core of Northeast Asia, the lower reaches of the area Tumen Jiang merges Chinese, Russian, and Korean borders into one, thus being a "golden delta" attracting worldwide attention. The cooperative development of this area will bring about huge economic benefit and social effect to all counties in the Northeast Asia. The purpose of the current activity is to better develop the friendly contacts and economic and technological cooperation with the neighboring countries and to promote the international cooperative development of this area. Paek Hwa-yong extended a welcome to this team for its visit to the DPRK and repeatedly expressed that China is welcome to use Chongjin Port.

From 8 to 11 September, this team visited Vladivostok Port in Russia. At this port the team conducted activity on absorbing foreign investment and economic and technological talks.

# NPC's Chen Muhua Meets Japanese Women's Group

OW0610085593 Beijing XINHUA in English 0757 GMT 6 Oct 93

[Text] Beijing, October 6 (XINHUA)—Chen Muhua, vice-chairman of China's National People's Congress Standing Committee, met with a women's delegation from the Japan Association of Corporate Executives led by its director Kinuko Kojima here this afternoon.

Chen is also president of the All-China Women's Federation.

The delegation arrived here on October 5 at the invitation of the All-China Women's Federation.

The association was founded by some Japanese entrepreneurs in 1946 to help recover Japan's economy after war.

#### Liaoning Establishes Ties With ROK Province

SK0510094193 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 4 Oct 93

[Text] Liaoning Province has formally established friendly relations with Kyonggi Province, ROK. On 4 October at Liaoning People's Theater in Shenyang, Governor Yue Qifeng signed an agreement with Kyonggi Province Governor (Yun Sa-tae) on establishing friendly relations between the two provinces.

Governor Yue Qifeng pointed out: The establishment of friendly relations between the two provinces, in line with the spirit of the joint communique establishing diplomatic ties between China and the ROK, will surely promote friendly cooperative relations between China and the ROK, and will be beneficial to the peace and development of Asia and the world.

Governor (Yun Sa-tae) expressed that after friendly relations are established, the two provinces will exert

efforts to the development of friendship and cooperative relations of both sides and to the peace in Asia and the world.

Governor Yue also held a banquet in honor of Governor (Yun Sa-Tae) and his entourage and briefed them on Liaoning's reform, opening up and the second pioneering program.

On 4 October, Executive Vice Governor Wen Shiwen met with the Korean guests.

The Korean guests also visited Liaoning Exhibition Hall and Shenyang Economic and the Technical Development Zone.

#### Official Meets Korean Guests

SK0510100293 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 4 Oct 93

[Text] On the morning of 4 October, Yu Xiling and Qi Zheng, vice chairmen of the provincial People's Congress Standing Committee, met with (Chon Nak-pom), vice chairman of Kyonggi Provincial Council of Representatives, and other Korean guests. Both sides congratulated each other on the establishment of friendly relations between Liaoning Province and Kyonggi Province and expressed that they would strengthen exchanges between the People's Congresses and social sectors of both sides and exert efforts to further promote the development of friendly cooperative relations between the two provinces.

Vice Chairman Yu Xiling briefed the Korean guests on Liaoning's situation in conducting reform and the second pioneering program.

Vice Chairman (Chon Nak-pom) accompanied Kyonggi Province Governor (Yun Sa-tae) in a visit to our province and arrived in Shenyang on 3 October.

#### Newspaper Director Meets DPRK Delegation

HK0610032593 Beijing RENMIN RIBAO in Chinese 27 Sep 93 p 4

[Report: "Shao Huaze Meets With Delegation From DPRK's 'NODONG SINMUN'"]

[Text] Beijing, 26 September—This evening, RENMIN RIBAO Director Shao Huaze met and held cordial and friendly talks with a delegation from the DPRK's "NODONG SINMUN," headed by editorial bureau chief Yi Yong-hyok. After the meeting, Shao Huaze held a banquet in honor of the DPRK delegation. Pae Yong, DPRK charge d'affaires ad interim to China, also attended the meeting and the banquet on invitation.

#### Near East & South Asia

#### Israeli Envoy on Rabin's Upcoming Visit

OW0610125593 Beijing XINHUA in English 1205 GMT 6 Oct 93

[Text] Beijing, October 6 (XINHUA)—Moshe Ben-Ya'aqov, Israeli ambassador to China, said here today that the upcoming visit to China by Israeli Prime Minister Yitzhaq Rabin, so shortly after the signing of the Israeli-Palestinian peace accord, indicated that Israel attaches great importance to Israeli-Chinese ties.

"This is the first time ever for an Israeli prime minister to visit China," the envoy said. "and China is also the first country outside the Middle East for Rabin to visit after the signing of the agreement."

At the invitation of Chinese Premier Li Peng, Prime Minister Rabin is to pay a visit to China starting October 10.

In an interview with XINHUA, Ya'aqov said that the visit is of great significance to the strengthening of bilateral ties and the boosting of Israeli-Chinese cooperation

During the visit, he said, Rabin will brief Chinese leaders on the latest developments in the Middle East peace process.

"The two sides will also discuss furthering cooperation in all fields," Ya'aqov said. "Besides, Rabin wants personally to study the remarkable development China has made."

Meanwhile, an aviation agreement will be signed, he added.

"The Chinese Government is always positive about the peace process in the Middle East," the ambassador said. "And it appreciated the signing of the peace agreement."

He said that he has been assured that China will keep on supporting peace in the region, both politically and economically.

As for the bilateral relations, Ya'aqov said that since the establishment of the diplomatic ties last year, agreements on trade, science, technology, culture and public health have been signed.

Contacts between the congresses of the two countries have also been established, he said.

Furthermore, personal exchanges have also been frequent as delegations at all levels have visited counterparts, the ambassador said. He added that more and more Israeli people are visiting China.

On the prospects of bilateral ties, he said: "The sky is the limit."

Ya'aqov said that there is great potential for Sino-Israeli cooperation in trade, economy, science, technology and the afforestation of deserts.

#### Tunisian President Receives Envoy's Credentials

OW0510125093 Beijing XINHUA Domestic Service in Chinese 1348 GMT 30 Sep 93

[Text] Tunis, 30 Sep (XINHUA)—Tunisian President Ben Ali said here today: The cooperative relations between Tunisia and China that have been highly beneficial are a "model for the South-South cooperation."

Ben Ali made the above statement when receiving credentials from China's newly appointed Ambassador to Tunisia Wu Chuanfu [0702 0278 4395]. He commended the relations of friendship and cooperation between Tunisia and China and expressed the hope that the cooperative relations will continue to develop.

He said that the Chinese people are a great nation. He expressed his appreciation for China's ability in properly resolving issues concerning clothing, food, housing, and transportation for 1.1 billion people.

#### **Red Cross Society Extends Donation to India**

OW0510141293 Beijing XINHUA in English 1341 GMT 5 Oct 93

[Text] Beijing, October 5 (XINHUA)—The Red Cross Society of China donated 50,000 U.S. dollars to the Red Cross Society of India on Monday [4 October] to help India's earthquake-stricken areas.

Southwest India was hit by an earthquake measuring 6.7 on Richter scale on September 30, which has caused appalling loss of life and devastation.

The Red Cross Society of China provided its help after receiving appeals from the International Federation of Red Cross and Red Crescent Societies.

#### New Passes Opened on Sino-Nepalese Border

OW0510121693 Beijing XINHUA in English 1121 GMT 5 Oct 93

[Text] Lhasa, October 5 (XINHUA)—China has opened three more passes on its border with Nepal to facilitate flourishing border trade and tourism.

The Sino-Nepalese border, stretching along the middle section of the Himalayas, contains several famous mountains, including Mount Qomolangma, which is known as "the third pole of the globe."

Each summer, the border attracts thousands of sightseers and mountaineers from throughout the world. However, about 100,000 tourists and businessmen had to enter Tibet by only one route on the border.

A government official said that Tibet's stable social environment and unique tourism resources are bound to attract even more tourists in the following years.

Foreseeing a surge of tourists into Tibet, China and Nepal reached a tentative agreement to open more routes across their border earlier this year.

#### Latin America & Caribbean

#### Jiang Zemin Meets Dominican President

OW0610051993 Beijing XINHUA in Erglish 0454 GMT 6 Oct 93

[Text] Beijing, October 6 (XINHUA)—Chinese President Jiang Zemin, meeting with President of the Commonwealth of Dominica Clarence Seignoret here this morning, expressed the belief that Seignoret's visit is bound to promote mutual understanding between China and the Caribbean country.

The visit will also be of significance for the development of Sino-Dominican relations, Jiang added.

Noting that the two countries have not yet set up diplomatic ties and are far away from each other geographically, Jiang said that bilateral contacts and mutual understanding have been limited so far.

However, "our mutual understanding is sure to be enhanced" by the current visit here by President Seignoret, he said.

Jiang noted that the Government of the Commonwealth of Dominica has made unremitting efforts in maintaining national sovereignty, developing its economy and raising the living standard of its people. It pays great attention to co-operation with the Caribbean community countries and actively promotes the region's economic integration.

"We express our appreciation of these things," Jiang said.

China pursues an independent foreign policy of peace and holds that all countries should be equal whether they are big or small, rich or poor, strong or weak, Jiang said, adding that China is willing to establish and develop relations with all countries on the basis of the five principles of peaceful coexistence.

During the meeting Jiang also briefed Seignoret on China's economic development.

Seignoret expressed pleasure at meeting the Chinese president. He told Jiang that he regarded today as a "historic".

Noting that his country has not yet formed diplomatic ties with China he said that his visit has impressed him deeply.

He expressed the hope that the economic, trade and other ties between the two countries would be developed and strengthened.

President Seignoret arrived here October 3 at the invitation of the Chinese Institute of Foreign Affairs (IFA).

Among those present at today's meeting were Liu Shuqing, president of IFA, and Chinese Vice-Foreign Minister Liu Huaqiu.

#### Hu Jintao Meets Venezuelan Politician

OW0610091993 Beijing XINHUA in English 0844 GMT 6 Oct 93

[Text] Beijing, October 6 (XINHUA)—Senior party leader Hu Jintao and visiting Venezuelan politician Eduardo Fernandez had a 30-minute discussion on Sino-Venezuelan ties here today.

Hu, a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with Fernandez, former general secretary of the Venezuelan Christian Social Party (VCSP), who arrived here Sunday [3 October] on a week-long visit.

Hu recalled Fernandez's China visit in 1980 as VCSP general secretary, which marked the beginning of friendly contacts between the two parties.

"That move has played a positive role in promoting mutual understanding and enhancing Sino-Venezuelan cooperation in international affairs," Hu said.

He went on to say that as developing countries, China and Venezuela hold identical or similar views on many international issues. China also attaches importance to its cooperation with Venezuela as both have advantages in economic, technological, resources and other aspects and their cooperation holds broad prospects, he added.

Hu also briefed the visitor on China's on-going reform, opening drive and economic situation.

Fernandez told Hu that Venezuela also attaches importance to its cooperation with China. China's experience in economic development is important to Venezuela, he added.

#### Political & Social

# Austerity Program 'Suspended' Due to Local Opposition

HK0610031693 Hong Kong SOUTH CHINA MORNING POST in English 6 Oct 93 p 1

#### [Report by Willy Wo-lap Lam]

[Text] Beijing has suspended, at least temporarily, its three-month-old austerity programme in spite of evidence that hyperinflation and other signs of economic overheating continue. Chinese sources said yesterday that leaders, including President Jiang Zemin and Executive Vice Premier Zhu Rongji, had declared in internal speeches that "initial results have been attained in efforts to boost macro-level adjustments and control of the economy". They said that the banking system under Mr Zhu had made credit available to several provinces since last month on a selective basis.

In recent speeches, leaders, including Mr Jiang, indicated that the thrust of economic policy-making had shifted from retrenchment to "sustained, high-speed, and healthy growth". Another priority is the deepening and widening of reform, with emphasis being put on the modernization of the tax and financial system.

An economic source said that in recent meetings with regional officials, Mr Zhu and Mr Jiang had pledged that credit lines would again be opened for "worthy projects". Provinces such as Anhui and Jiangsu have been promised injections of central funds of up to 10 billion yuan (HK\$ 13.4 billion) each.

Last month, Mr Zhu, who is also governor of the People's Bank of China, had postponed until the end of the year the deadline for local administrations and enterprises to surrender to central coffers "improperly secured" funds from banks and government departments. "Zhu has made many enemies among leaders of both coastal and inland provinces, who flatly told him they were not heeding central directives because the latter would lead to the bankruptcy of the local economies," the source said. "After having only achieved limited results such as the closure of some unauthorized development zones, the Vice-Premier decided last month to drastically tone down the austerity measures so as not to alienate local cadres."

Western diplomats in Beijing said the objective of slowing down the overheated economy had been replaced by the political need for heavyweight players, including Mr Jiang and Mr Zhu, to widen their power base through securing the support of the "regional warlords. They said the jockeying for position had increased as evidence that the health of patriarch Deng Xiaoping might not hold up for too long. A senior Western diplomat said Mr Deng, who last appeared in public during the Lunar New Year, had "significantly lost weight".

However, economic analysts said that because basic economic problems such as the uncontrolled money supply had not been resolved, elements of the austerity programme would almost certainly be re-applied next year.

# Li Peng, Zhu Rongji Watching Changcheng Investigation

OW0610103093 Beijing XINHUA Domestic Service in Chinese 0329 GMT 6 Oct 93

[By RENMIN RIBAO reporter Chen Weiwei (7115 4850 0251) and XINHUA reporter Zheng Qingdong (6774 1987 2639); Beijing XINHUA Domestic Service in Chinese at 0502 GMT on 6 October transmits a service message canceling the following item and replacing it with a variant version; differences between the two versions are noted below]

[Text] Beijing, 6 Oct (XINHUA)—According to government departments concerned, investigation of the illegal collection of funds by the Beijing Changcheng [Great Wall] Machinery and Electronics Scientific and Technological Industry Company, which evoked great repercussions in society, has drawn to an end. Except some individual provinces, the entire work of checkup, settlement, and repayment is basically completed. To date, the overwhelming majority of investors have recouped their investments in accordance with the percentage of repayment after checkup and settlement. Over 90 percent of the total amount of investments were repaid nationwide.

It has been learned the "Changcheng Company" illegally collected funds under the name of concluding "contracts for technology development" with a high annual interest rate of 24 percent as the enticement first in Hainan and then in 17 cities across the country. The Changcheng Company [variant version reads: ... The "Changcheng Company ".... (adding quotation marks)] and its branches collected funds worth over 1 billion from more than 100,000 investors in less than six months. Of all the funds collected, 93 percent came from individuals and seven percent from institutions and enterprises. The illegal collection of funds by the "Changcheng Company" seriously disrupted socialist economic order and was a bad influence at home and abroad. In April this year, the State Council decided to establish a state industrial and commercial investigation team to examine the activities conducted by the Changcheng Company [variant version reads: ...the "Changcheng Company." (adding quotation marks)]. Investigation teams were also successively established in all relevant areas across the country to investigate the branches of the "Changcheng Company" and to supervise work related to settlement and repayment.

According to reports, under [variant version reads: ...Premier Li Peng and Vice Premier Zhu Rongji attached great importance to the work of investigation, settlement, and repayment related to the case of illegal collection of funds by the "Changcheng Company."

According to reports, under... (adding sentence at beginning of paragraph] the direct leadership of the CPC Central Committee, the State Council, and the governments in all areas, all departments, institutions, and enterprises attached a high degree of importance to the work of investigation, settlement, and repayment; gave full cooperation to each other; and made smooth progress with the work. It was carried out in two steps. The first-step work was completed in early July and the second-step work has basically come to an end so far.

Judging from the areas that have either completed or begun the work, we can see all investors are comparatively calm in all areas. The overwhelming majority of investors and non-investors expressed satisfaction with the work. They believed that only under the supervision of the governments could such a satisfactory result be achieved. After recovering their money, many investors either used them to purchase state treasury bonds or deposited them in the banks. A number of investors expressed understanding of and supported the investigation of the Changcheng Company's illegal collection of funds resolutely conducted by the governments. They thanked the government for spending manpower and material resources on organizing investigation, settlement, and repayment to reduce the losses suffered by the masses.

According to other reports, Shen Taifu and other personnel involved in graft and bribery in the case are now being dealt with by the state judicial organs.

#### More on Banking Officials Given Death Sentence HK0510064493 Beijing ZHONGGUO XINWEN SHE in Chinese 1114 GMT 27 Sep 93

[By reporter Tao Guangxiong (7118 0342 7160): "China Cracks Down on Economic Crimes in Banking Departments and Their Affiliated Organizations"]

[Text] Beijing, 27 Sep (ZHONGGUO XINWEN SHE)—The China Supreme People's Court today published the trials and results of four particularly large embezzlement cases. The four cases took place in banking departments and affiliated units, and the culprits all were sentenced to death after their cases had been reviewed by the Supreme Court.

The four particularly large embezzlement cases announced today are: The case of Hainan's Xue Genhe, Chen Yiquan, Xiong Daoxian, Zhao Dongfang, and Yang Shaoqiong, who practiced graft, embezzled public funds, and fled the country; the case of Zhejiang's Feng Yang and Xu Jianxin, who practiced graft and fled the province and country; the case of Beijing's Luo Yuhai, who practiced graft and embezzled public funds; and the case of Guangdong's Xu Xiaochun, who practiced graft.

It is learned that from January to October 1992, Xue Genhe (former bookkeeper of the Dongfeng Office of the Haikou Branch of the Industrial and Commercial Bank of China) conspired with Chen Yiquan, Xiong Daoxian,

Zhao Dongfang, and Yang Shaoqiong, and used the convenience afforded by their posts to issue bank drafts, thus embezzling a total of 33.44 million yuan, and that when their crime came to light, Xue Genhe and Xiong Daoxian fled to Vietnam and later were arrested.

From March to October 1990, Feng Yang (former head of the Finance and Planned Share Section of the Huzhou City Trust and Investment Company of the Industrial and Commercial Bank of China) conspired with Xu Jianxin and used the convenience afforded by their posts to embezzle public funds totaling five million yuan. After that, they fled with the money to Macao and then to Singapore. In April 1991, they were arrested.

From December 1989 to March 1991, Luo Yuhai (former officer of the Incoming Remittances Unit of the Second Branch of the Business Department of the Bank of China Headquarters) used the convenience afforded by his post to embezzle public funds totalling more than \$1.25 million in order to achieve his personal goals, like leaving the country.

In October 1989, Xu Xiaochun (former contracting officer of the Business Department of the Guangdong Kanghui Trading and Development Company) conspired with Wang Shuyi, bookkeeper of the Huayuan Sales Department of the Guangzhou Branch of the Agricultural Bank of China, and used the convenience afforded by his post to embezzle public funds totalling 3.5 million yuan. They then fled to Hong Kong and then hid themselves in Taiwan. In June 1990, Xu Xiaochun was arrested by the Taiwan police for illegal immigration. He was arrested following his repatriation in December 1991. Wang Shuyi is still at large.

These cases were tried in the first and second instances, and were decided by various local courts; all the defendants involved in the cases were sentenced to death. The decisions then were submitted to the Supreme People's Court for verification. The Supreme People's Court's review maintains: They have embezzled huge amounts of public funds and caused tremendous harm to the country. Their cases were particularly serious and the relevant people should be severely punished in accordance with the law. The facts of the crimes tried and decided in the first and second instances are clear. The evidence of their crimes is conclusive and sufficient. The punishments are appropriate. The trial procedures were in keeping with the law. The defendants' death verdicts are verified and approved in accordance with the law.

Speaking on the results of handling these cases, Liu Jiachen, vice president of the Supreme People's Court, said: Serious criminal cases in banking departments and affiliated organizations have been on the increase continually in recent years. Major cases and particularly large cases, in particular, have occurred frequently, causing increasingly serious economic harm to the country. In the current anticorruption struggle, the courts are punishing resolutely and sternly those criminals who have wantonly embezzled the country's money

and never will they turn a blind eye to them, so as to safeguard the country's normal banking order.

# Economic Reforms, Corruption Top Plenum Agenda

HK0610033093 Hong Kong THE STANDARD in English 6 Oct 93 p 7

[Report by Agnes Cheung and Cary Huang]

[Text] Party officials have put economic reforms and corruption at the top of the agenda for the coming third plenum of the Chinese Communist Party's Central Committee, Chinese sources said yesterday. The sources quoted party chief Jiang Zemin as saying that politburo members had agreed that the party meeting in December would focus on the strengthening of macro-economic adjustment, the deepening of reforms and the crackdown on corruption. In the year to come, the party would concentrate on improving macro-economic adjustment which has to be coordinated with the deepening of reforms. Reforms in banking, investment, taxation and the enterprise economy had been prepared and were expected to be endorsed at the plenum. The politburo had recognized that corruption posed a major threat to the development of a market economy as well as to the credibility of the party. Some Beijing observers believe that the party officials will have a difficult time combating the present corruption problem among cadres and officials, the most serious in the past 10 years.

Sources said the central leadership was unified in its views on the major tasks to be put at the top of the agenda, despite differences on how best to tackle the overheating of the economy earlier in the year. Last week Jiang told regional officials in Guangzhou of the focus for the coming plenum. Jiang said only by tackling the problems of reform and corruption in the coming year would China move to a market economy with ease. The strengthening of macro-economic adjustments and the government's control over the economy would create a better environment for speeding up the pace of reforms. Deeper reforms were the key to stamping out rampant official corruption. Jiang, who is also the Chinese president, said the tasks were aimed at helping create a unified and fair competitive market in China. They were crucial in the country's aim to build a socialist market

Earlier, Premier Li Peng revealed the main points of the agenda for the plenum at a meeting with 40 foreign experts working in China.

Observers have forecast that measures to tighten macroadjustment and economic control might be weakened due to regional resistance.

# Jiang Zemin, Others View Theatrical Performance

HK0610041593 Beijing XINHUA Domestic Service in Chinese 1456 GMT 2 Oct 93

[By reporters Zhu Youdi (2612 1635 2769) and Zhou Jiamin (0719 1367 2404): "The CPC Central Committee Sponsors Theatrical Performance at Zongnanhai"]

[Text] Beijing, 2 Oct (XINHUA)—Tonight, the Huairen Hall at Zhongnanhai was a scene of great joy. The CPC Central Committee invited nearly 1,000 people from the propaganda and cultural departments, as well as the scientific and educational circles to a theatrical performance it sponsored. Before the performance started, Jiang Zemin, general secretary of the CPC Central Committee, and members of the Standing Committee of the CPC Political Bureau including Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing and Hu Jintao met with more than 50 celebrities and representatives from the propaganda and cultural departments, as well as scientific and educational circles. A group photo also was taken to mark the occasion.

The reception hall was filled with a warm atmosphere. Jiang Zemin shook hands with the celebrities and representatives one by one, and extended holiday greetings to them. Jiang Zemin said: On festive occasions, more than ever, we think of our dear ones far away. That is why we have invited you to this gathering today.

Ding Guangeng, Li Lanqing, Li Tieying, Wen Jiabao, and Song Jian also were among the central leaders present at both the meeting and the performance.

The brilliant performance tonight was jointly given by the Central National Philharmonic Society, the China Acrobatic Troupe, the China Beijing Opera Troupe, the China Light Music Orchestra, the Ensemble of the PLA Air Force Political Department, the China Opera and Dance Troupe, and the Zhanyou Beijing Opera Troupe.

At the end of the performance, Jiang Zemin, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and other leaders mounted the stage, met all the performers, and congratulated them on their successful performance.

Wang Guangying, vice chairman of the Standing Committee of the National People's Congress, also was among others watching the performance.

#### Leaders at Li Peng-Hosted National Day Reception

OW0610023093 Beijing XINHUA Domestic Service in Chinese 1231 GMT 30 Sep 93

[Excerpts] Beijing, 30 Sep (XINHUA)—Premier Li Peng hosted a grand reception this evening at the Great Hall of the People to celebrate the 44th founding anniversary of the PRC.

It is also the Mid-Autumn Festival today. When night fell the banquet hall of the Great Hall of the People was ablaze with lights. A giant national emblem was hung on curtains, with the dazzlingly brilliant years marked "1949-1993" at the bottom and five brightly color red flags flanked on each side.

Leading comrades Jiang Zemin, Li Peng, Qiao Shi, Liu Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, and Rong Yiren joined some 1,000 people from all walks of life and from all over the world in celebrating the great day of the Chinese people.

At 1800, with the playing of the national anthem, the reception began. Amid thunderous applause, Premier Li Peng walked to the podium and delivered a speech. [passage omitted]

Also present at the reception were Ding Guangen, Tian Jiyun, Li Tieying, Yang Baibing, Zou Jiahua, Chen Xitong, Wei Jianxing, Wen Jiabao, Ji Pengfei, Sun Qimeng, Lei Jieqiong, Qin Jiwei, Wang Bingqian, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Li Peiyao, Wu Jieping, Chi Haotian, Song Jian, Li Guixian, Chen Junsheng, Ismail Amat, Luo Gan, Wang Zhaoguo, Ngapoi Ngawang Jigme, Hong Xuezhi, Deng Zhaoxiang, and Sun Fuling. [passage omitted]

#### Li Ruihuan Attends Beijing National Day Rally

OW0610123093 Beijing XINHUA Domestic Service in Chinese 1001 GMT 26 Sep 93

[By RENMIN RIBAO reporter Dong Hongjun (5516 1347 0689) and XINHUA reporter Jia Fenyong (6328 1164 0516)]

[Text] Beijing, 26 Sep (XINHUA)—The auditorium of the National Committee of the Chinese People's Political Consultative Conference brimmed with laughter and pleasant conversation this afternoon. The masses of various circles in the capital happily gathered together under the same roof here to celebrate the 44th birthday of the Republic. Li Ruihuan and other party and state leaders attended the get-together and had a good time with everyone present.

State Councillor Ismail Amat delivered a speech, extending holiday greetings and best wishes to persons of all nationalities in various circles in the capital. Later, literary and art workers staged brilliant performances. The Central Nationalities Song and Dance Ensemble staged a dance "Beautiful China" jointly performed by dancers of all nationalities amid accompanying music that was sometimes loud and strong, and sometimes soft. Brimming with the joy of all nationalities, the performance presented a whirlwind of the cavalry of north China and the exquisite postures of the peacock of south China on the same stage. The songs "A Paean" and "On the Jin Shan [Golden Mountain] of Beijing" sung by famous Mongolian singer Dedema and Tibetan singer Cedain Zhoima made the audience think of the past of the Republic and look forward to a beautiful tomorrow

for the motherland. Everyone present was keenly interested in a quiz of knowledge about various nationalities held during the intermission of theatrical performances. Wang Guangying drew enthusiastic applause when he correctly answered a question.

Cheng Siyuan, Buhe, Wang Zhaoguo, Ngapoi Ngawang Jigme, and Liao Hansheng also participated in today's get-together.

#### Hu Jintao Addresses Central Party School

OW0610015593 Beijing XINHUA Domestic Service in Chinese 1014 GMT 4 Oct 93

[Text] Beijing, 4 Oct (XINHUA)—A class for major leading cadres at the provincial and ministerial levels to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics opened today at the Central Party School. Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee, member of the CPC Central Committee Secretariat, and president of the Central Party School [rendering of title "president of the Central Party School" as received], stressed: Insisting on arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is an essential task in strengthening and improving party building in the new period; it will affect the future and fate of our party, our country, and the Chinese nation. In the entire process of the socialist modernization drive, we should regard organizing the whole party to earnestly study and comprehend the theory of building socialism with Chinese characteristics as a fundamental task, and should persistently ensure that this task is properly carried out.

Those attending the meeting included Ding Guangen and Wei Jianxing, both members of the CPC Central Committee Political Bureau; Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat; and Ren Jianxin, member of the CPC Central Committee Secretariat. The meeting was presided over by Ding Guangen.

In his speech, Hu Jintao primarily discussed the significance and purpose of the central authorities' holding the study class, and its guiding ideology and basic demands. He pointed out: The 15 years since the Third Plenary Session of the 11th CPC Central Committee is a period in which our party integrated the basic Marxist principle with the reality of contemporary China and the characteristics of our time, as well as a period in which our party opened up a path of building socialism with Chinese characteristics and resolutely marched forward along this path. It is also a period in which Comrade Deng Xiaoping adhered to and developed Marxism-Leninism and Mao Zedong Thought, and, in the course of the great practice of reform and opening up, continued to enrich, refine, and develop the theory of building socialism with Chinese characteristics. Over the 15 years, China went through a magnificent historical process in which the country's reform developed from rural

reform to urban reform, from reform of the economic system to reform of various other systems, and its opening up developed from opening up the coastal areas to opening up on all fronts to the outside world. Our efforts to build socialism with Chinese characteristics has stood rigorous tests amid the ever- changing world situation and has yielded enormous achievements that have attracted worldwide attention. The rich, lively, and great practice of the Chinese people was carried out under the guidance of the theory of building socialism with Chinese characteristics; this practice has also provided an inexhaustible source for the continuing development of the theory. Comrade Deng Xiaoping respects the masses' spirit of practicing and creating, and he is always concerned about the interests and aspirations of the great majority of the masses. With an extraordinary Marxist truth-seeking attitude, courage in making explorations, creativity, and the courage and resourcefulness of a revolutionary, he keenly grasped the pulse and juncture of development of our time; gripped new things that point to the development of productive forces; summed up the masses' experiences and creation in a timely manner; and raised these experiences and creation to theoretical level, thereby enabling the theory of building socialism with Chinese characteristics to become increasingly richer and better and to develop continuously, displaying immense vitality.

Hu Jintao said: To arm the whole party with the theory of building socialism with Chinese characteristics, first we need to arm the party's leading cadres at all levels, especially high- ranking cadres. By taking the lead in earnestly studying and applying this theory, our highranking cadres will not only greatly improve their ability to lead; make their work more principled, systematic, foreseeable, and creative; and prevent or reduce major mistakes, but will also motivate leading cadres at all levels and the masses of party members to study the theory of building socialism with Chinese characteristics, thereby enabling all party members to continuously deepen their understanding of Marxist theory and enabling the great spiritual force to be transformed into an enormous material force for uniting the whole party and people across the country to work for reform, opening up, and modernization. The central authorities' purpose in holding this theoretical study class for major leading cadres at the provincial and ministerial levels is to create favorable conditions for everyone to concentrate on making an in-depth study of theory, and on studying and pondering relevant problems. This class is also intended to call on party organizations and leading cadres at all levels to place great importance on theoretical study so that an inspiring atmosphere of earnestly studying theory can be formed in the whole party, and the work on arming the whole party with the theory of building socialism with Chinese characteristics can be thoroughly carried out.

Hu Jintao hoped comrades attending the class would earnestly study and comprehend the underlying viewpoints and true spirit of the theory of building socialism

with Chinese characteristics; in the light of the reality of their respective locality or department as well as of their personal situation would sum up their experiences in carrying out reform, opening up, and the modernization drive over the past 15 years; and would strive to gain greater achievements. He said: In the last 15 years, our party led people of all nationalities across the country to launch a great new revolution, opening up a new chapter in China's history. All localities and sectors have made great progress in their work, and have created and accumulated abundant new experiences in the course of practice. These new experiences are a valuable treasure. Further deepening our understanding of scientific theories using the theory of building socialism with Chinese characteristics as guidance, and using theoretical thinking to seriously sum up, summarize, and refine these scientific theories will greatly contribute to our leading work and to making correct decisions, to improving our work, refining our policies, and advancing our work more rapidly and in a better way.

Hu Jintao pointed out: To fundamentally change the original economic system, which impeded the development of China's productive forces, and to establish a socialist market economic system full of vitality by carrying out reform is an important part of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Practice over the last 15 years fully proves that the path we have taken is a correct one; therefore, we must unswervingly adhere to this path. Currently, the country's overall situation is good; however, some prominent contradictions and problems have cropped up in economic development. To solve these contradictions and problems, we cannot follow the old thinking and methods that were formed under the planned economic system and that are no longer applicable, but must resort to a new way of thinking, employ new methods, and quicken the pace of building a socialist market economic system by deepening reform. Hu Jintao hoped comrades at the class would make an in-depth study centered on the important issue of how to quicken the step of building a socialist market economic system, and would offer their insights.

In closing, Hu Jintao hoped comrades would adhere to the principle of linking theory with reality, integrate theoretical study with problem pondering, emancipate their minds, seek truth from facts, speak out freely, learn from each other, pool the wisdom of others, make common efforts to improve themselves, achieve fruitful results, and make the class a success.

In his speech, Ding Guangen said: The central authorities' decision to hold a theoretical study class for major leading cadres at the provincial and ministerial levels is an important measure aimed at carrying out the 14th CPC National Congress' strategic task of arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Ding Guangen hoped comrades attending the class, through studying, would gain a more thorough understanding of

the theory of building socialism with Chinese characteristics; comprehend it more accurately; apply it more self-consciously; and use it to enhance their ideological awareness, raise their theoretical levels, and improve their ability to lead, so as to develop our work more rapidly and in a better manner.

Also attending today's meeting were responsible comrades of departments concerned of the central authorities, including Lu Feng, Wang Weicheng, Zheng Bijian, and Wang Jialiu.

A total of 45 people attended the class. Most of them are major responsible comrades of the CPC committees and governments of various provinces, autonomous regions, and municipalities; major responsible comrades of various ministries and commissions of the central authorities; major responsible comrades of major units of the People's Liberation Army; and responsible comrades of the Armed Police headquarters. Also attending the class were leading cadres of the propaganda and theoretical fronts, and the party's theoretical workers.

#### Hu Jintao Discusses Party Building in Enterprises

OW0610121693 Beijing XINHUA Domestic Service in Chinese 1011 GMT 24 Sep 93

[By RENMIN RIBAO reporter He Jiazheng (0149 0502 2973) and XINHUA reporter Zheng Qingdong (6774 1987 2639)]

[Text] Beijing, 24 Sep (XINHUA)—Hu Jintao, member of the Standing Committee of the Political Bureau and Secretariat of the CPC Central Committee, pointed out here yesterday: To successfully establish a socialist market economy; to enhance the economic strength of the entire country, improve the people's living standards, and ensure social stability; to consolidate and develop the present good situation; and to promote better and faster development in reform, opening up, and the modernization drive, we must run better state-owned enterprises, especially those large and medium-sized ones. This is a matter of great significance for the country's overall situation.

Hu Jintao stressed: The basic solution to this problem is to follow the guidelines of the 14th CPC National Congress and series of important plans made by the CPC Central Committee and the State Council; to deepen reform and quicken the pace of transforming operational mechanisms in enterprises; and to bring into full play the initiative of the party organizations, personnel in charge of production, operation, and management, and the vast number of workers.

Yesterday afternoon, Hu Jintao arrived at the Beijing Yanshan Petrochemical Corporation where he held discussions with representatives attending a national forum on strengthening building of party organizations in state-owned enterprises. Wei Jianxing, member of the Political Bureau and Secretariat of the CPC Central Committee, and responsible comrades from relevant

departments including Lu Feng, Wang Weicheng, Chen Qingtai, and Liu Zhifeng attended the seminar. Zhao Zongnai, deputy director of the Organization Department of the CPC Central Committee, presided over the forum.

During the meeting, Huang Suiquan, deputy director of the organization department of the Guangdong provincial party committee; Yang Anjiang, secretary of the Beijing Yanshan Petrochemical Corporation party committee; Hong Jinting, director of the Fujian Provincial Tractor Plant; Zhai Guanghui, secretary of the Sichuan Changcheng Special Steel Company, Ltd. party committee; and Lei Jianhui, secretary of the industrial work committee of the Shanghai municipal party committee, spoke successively, briefing participants on their experiences in party building work in state-owned enterprises in their own localities or units. They also offered some opinions and suggestions on ways to further strengthen party building work in state-owned enterprises in the course of establishing a socialist market economy.

After hearing representatives' remarks, Hu Jintao gave a speech. He said: It is a central link in the process of building a socialist market economy to transform operational mechanisms in state-owned enterprises and to invigorate and upgrade them, especially the large and medium-sized ones. The fundamental characteristics of the socialist market economy we want to build are to combine a market mechanism that reflects the law of modern socialized production with socialist public ownership, and to combine the virtues of the market economy for a rational distribution of resources with the advantages of the socialist system, thus creating a new economic structure which is better and more efficient than the capitalist market economy. Through reform and exploration we must establish a modern enterprise system which enables enterprises to become real corporate bodies and main components of the market, to enter the market with great economic strength and vigor, and to play the dominant role. We need a process and arduous efforts to attain this goal and we must work on

Hu Jintao pointed out: We must make efforts to invigorate large and medium-sized state-owned enterprises in two aspects. On the one hand, we must accelerate the change of government functions, separate government administration from enterprise management, and grant to enterprises resolutely all autonomy that should be granted to them. At the same time, we must do a good job in supplementary reforms, accelerate the establishment of a complete and effective macro-control system, and strengthen government functions. We should manage well what should be managed well, and create a favorable external environment for enterprises. On the other hand, we must accelerate internal reform of enterprises and tap their potential vigor. Hu Jintao hoped the responsible comrades of party organizations, administrative departments, trade unions, and the Communist

Youth League organizations in enterprises, the responsible comrades of party organizations and administrative departments in particular, would enhance their sense of responsibility and mission, fully recognize the main tendency of deepening reforms in various aspects, and take the initiative in seizing favorable opportunities brought about by this tendency, further emancipate minds, renew ideas, make painstaking efforts to strengthen internal force, display self-reliance, and make concerted efforts to solve new problems arising from enterprise reform and development with new ideas and ways, to overcome difficulties while forging ahead, and to continuously improve enterprises' overall quality.

Speaking on the establishment of the modern enterprise management system with Chinese characteristics, Hu Jintao said: The 14th CPC National Congress reiterated that state-owned enterprises must give full play to the political core role of party organizations; they must persist in and improve the system of the director assuming full responsibility; and they should rely on the working class whole-heartedly. These three points are mutually coherent and cannot be separated, and they are essential in running well state-owned large and mediumsized enterprises under conditions of socialist market economy. The "three points" guideline is a scientific summing-up of practical experiences gained in establishing enterprises' internal management systems with Chinese characteristics. Leading party and government cadres at all levels and various state-owned enterprises should vigorously continue to explore, summarize, and popularize good experiences to more consciously carry out the "three points" in an all-round way. He stressed the need for enterprises to attach importance to the enhancement and improvement of party building in enterprises, strengthen cohesiveness, attractiveness, and fighting power of party organizations, and fully bring their political core role into play in the course of the enterprises transforming operational mechanisms and marching toward the market.

In his speech, Hu Jintao also expounded on the relationship between the guiding ideology of party building work in enterprises and the enhancement and improvement of party building in enterprises. He pointed out: Enterprise party organizations must do their work in consideration of the reform, production and operation of the enterprises, serve enterprises' reform and development, and play the role of political core in the course of development. There is an acute demand for improving and strengthening party building in enterprises under the new situation and we must adhere to it. Party organizations in enterprises must take the initiative in participating in making major policy decisions for enterprise reform and development, explore new working styles, and truly integrate party activity into various links of enterprise reform, production, and operation.

Hu Jintao said: In a certain sense, the key to building socialism with Chinese characteristics lies with the people; the key to running well state-owned large and medium-sized enterprises with Chinese characteristics

also lies with the people. He urged leading party and government comrades at all levels to attach great importance to developing and strengthening professionally trained personnel for enterprises. Moreover, they should seize the excellent opportunity of transforming operational mechanisms in enterprises to raise the construction of enterprise leadership to a new level.

In his speech, Hu Jintao fully affirmed the contributions made by party workers in state-owned enterprises and all other enterprise personnel over the past decades. He hoped that they would enhance their vigor and work hard to do pioneer work and make new contributions.

The forum on the building of party organizations in state-owned enterprises, which was held by the Organization Department and the Central Policy Research Center of the CPC Central Committee, opened on 21 September. Zheng Keyang, deputy director of the Central Policy Research Center of the CPC Central Committee, made a summing- up speech at the end of the meeting yesterday. During the meeting, the participating comrades seriously discussed ways to meet the demands of carrying out the Regulations Governing the Change of Operating Mechanisms in State-Owned Industrial Enterprises, deepening the internal reform of enterprises, and running large and medium-sized state-owned enterprises better under the new situation of accelerating the establishment of a socialist market economy. They exchanged successful experiences obtained from explorations over the past few years.

#### Article on Leaders' Response After Olympic Bid HK0610110193 Hong Kong CHENG MING in Chinese

HK0610110193 Hong Kong CHENG MING in Chinese No 192, 1 Oct 93 pp 6-7

["Notes on a Northern Journey" column by staff reporter Lo Ping (5012 0393): "Zhongnanhai at a Time When the Olympic Dream Shatters"]

[Text] In the early hours of 24 September, CPC elders Yang Shangkun, Bo Yibo, Wan Li, and Qin Jiwei gathered in the north lounge of the Great Hall of the People to watch the news of the Olympic bid relayed by satellite. After learning that Sydney had succeeded, they said angrily: The United States has stretched its hand of hegemony too far, to bully others too much!

# Elders Become Indignant at Failed Bid To Host Olympics

Heroism and frustration, excitement and desolation, hope and disappointment, intoxication and depression, and happiness and anger—these extremely contradictory emotions occurred swiftly one after another among the magnates from Zhongnanhai. This phenomenon, which had never occurred before, took place at 0230 on 24 September.

At that moment, CPC elders Yang Shangkun, Bo Yibo, Wan Li, Qin Jiwei, Song Ping, Yao Yilin, and Yang Dezhi gathered in the north lounge of the Great Hall of

the People to watch the satellite television. They were scheduled to have a lavish celebration after the announcement of the very good news. However, after learning that Sydney had succeeded in the bid to host the 2000 Olympic Games, Yang Shangkun, Qin Jiwei, and Yang Dezhi were dejected, then became angry. They said to the reporters at the scene: The United States has stretched its hand of hegemony too far, to bully others too much! China is not Britain and will not make a living by following the United States, nor will it make any deal under the power politics of the United States; the Chinese people will fight for the credit again!

According to allegations, at the moment, Yang Shangkun was so flustered that he fainted. After some first aid efforts, he woke up quickly.

This incident scared the extremely emotional elders.

# The Plan of Celebration Involved Organizing a Procession of 300,000 People

Outside Zhongnanhai and the Great Hall of the People, some very strange phenomena emerged. Anticipating the very good news, the CPC was willing to create a lively and happy atmosphere to celebrate the expected victory. On the other hand, it was afraid that extreme joy would beget sorrow and "disturbances." After learning that the bid to host the Olympic Games had failed, they wanted to let the masses come out to swear at U.S. hegemony and power politics on the one hand, and on the other hand, they were afraid that the people would change the target of attack and "swear at" the authorities. Hence, "comedies" of this kind emerged one after another in Beijing.

The members of the organizing committee for the bid to host the 2000 Olympic Games in Beijing suggested that if the bid was successful, all the lights and lanterns would be switched on at 0300, there would be fireworks, and a procession of 300,000 people would be organized. The plan said that among them 150,000 would be workers, 50,000 would be government cadres, and 100,000 would be university and secondary school students, that state leaders would attend the ceremony and make short speeches, and that the whole process would last one and a half hours. The plan was examined and approved by the Political Bureau.

#### Zhu Rongji Suggested That the Plan Should Be Changed To Allow Various Circles To Celebrate Separately

If this plan were realized, Tiananmen Square and the neighboring districts would witness a magnificent and splendid scene. But the plan was later disapproved—Political Bureau Standing Committee member Zhu Rongji suggested that no gathering should be organized in the early hours of that morning. Instead, various circles should be allowed to celebrate separately. In addition, after waiting for the Olympic bid delegation to return to Beijing in a mighty manner, celebrations would be held in the Workers' Stadium or the Great Hall of the

People, and provinces, municipalities, and autonomous regions would follow this method.

Zhu Rongji's suggestion won the support of other Standing Committee members of the Political Bureau. On 16 September, the CPC Central Committee General Office and the State Council General Office notified various provinces, municipalities, and autonomous regions to cancel celebration activities involving gatherings and processions in squares, stressing that "everything should put overall social stability as a precondition, and must be conducive to the central task of economic construction, and to the cohesive force of the Chinese nation."

#### The News on the Failed Bid Comes; the Beijing Municipal CPC Committee Takes Emergency Measures To Prevent Trouble

When the news on the unsuccessful bid came, another strange phenomenon emerged. At 0245, after learning the news on losing the bid to host the Olympic Games, the Beijing Municipal CPC Committee made phone calls instructing that party leadership groups should remain in various factories, mines, enterprises, universities, units, and collectives, to oversee the staff in enterprises and units, to pay attention to the emotions and actions among students, to prevent students from going out to organize gatherings, to tactfully refuse reporters requests to conduct interviews in units and campuses without authorization, and to closely watch the hostile elements who might cause disturbances from extreme "leftist" and rightist directions.

#### Jiang Zemin Stresses Need To Prevent Hostile Elements at Home and Abroad From Creating Trouble

At 0300 on 24 September, the State Council General Office held an emergency telephone conference of party and government leaders of various provinces, municipalities, and autonomous regions. At the telephone conference, Li Tieying relayed Jiang Zemin's instruction: Leaders at all levels must do the work well, cherish the people's enthusiasm, restrain emotion, earnestly guide the people's cohesive force to construction and reform, strengthen protection of foreign establishments, and pay attention to the hostile organizations and elements at home and abroad who might cause trouble.

When the people are happy, they must take precautionary measures, when the people are unhappy, they must also take precautionary measures. In the final analysis, the purpose of preventing this and that is simply to prevent "incidents" or "trouble." The sense of danger in the CPC is precisely that serious, just like they are sitting on the mouth of a volcano.

### The State President and State Vice President Wanted To Go to Monte Carlo

On the campus of Beijing University, some people learned that Britain and Australia had sent their prime

ministers to Monaco to lobby for votes, they also suggested: "We must also send our premier!" They did not know that the senior level of the CPC had the same idea long time ago—sending a top-level figure to Monte Carlo.

It has been alleged that the CPC had once planned to arrange for Jiang Zemin to go to Monaco on 21 September in the name of state president, to join forces with Vice President Rong Yiren, who would come to Monaco from West Europe, to begin propaganda and lobbying work. Thereafter, the CPC considered two problems: First, China was not 100 percent sure that it could win in the bid; second, was there a real reason for the state president to go there personally? If the bid failed, the prestige of the state president would be hurt. Therefore, the plan was shelved.

Jiang Zemin did not go to Monaco, and it now seems that it was a wise decision. The general secretary stayed in Beijing to discharge another duty, that is, to use his mouth to do some "aftermath" work.

#### Jiang Zemin: We Have Clearly Seen the Wicked Conduct of the United States and Britain in Interfering in Sports

On the morning of 24 September, Jiang Zemin made a speech to the routine meeting of the Political Bureau. He found excuses to console himself, and condemned the United States and Britain for a while. He said: "The bid has failed, and certainly we are depressed, but we must be able to afford the failure. We have worked hard, and tried our best. Through the process of the bid, the cohesive force of various nationalities in our country has been fully embodied, and people in the whole country have been unprecedentedly united for one goal, and this in itself is a great achievement. Through the bid, we have strengthened the relations with countries and peoples who are friendly to us and who treat us with warmth. We must thank them for their trust and support. In the bid process, we have clearly seen the wicked conduct of the United States and its follower, Britain, who interfered in sports with power politics. The Chinese people have learned a very real lesson. U.S. hegemony is afraid of an early and peaceful reunification of China, and is opposed to it. The saying that politics should not interfere in sports, or politics and sports should be separated, is impractical. The trick and propaganda used by hegemony and power politics to cheat others has been revealed once again.'

# Official Propaganda Causes a General Animosity Against the United States and Britain

On the afternoon of 24 September, Jiang Zemin's speech was relayed to the party committees of various provinces and autonomous regions. Another strange phenomenon emerged. Under official guidance, a general animosity against the United States emerged in society.

The 24 September newsletter issued by the State Council General Office revealed: Some people and organizations

had proposed the slogans of "Down With U.S. Hegemony," and "Down With Britain, the Running Dog of the United States," saying that they would retaliate and raid the districts neighboring the U.S. and British embassies. The result was that not one slogan was heard in those districts, but the presence of uniformed and plainclothes public security personnel itself created an abnormal atmosphere.

The newsletter also disclosed that the relevant department in Beijing received over 170 anonymous phone calls in less than eight hours.

Not all those phone calls were shouting slogans against the United States, some were not liked by the authorities—demanding the resignation of Jiang Zemin, Chen Xitong, Li Lanqing, and Zhang Baifa, saying that they must be held responsible for the unsuccessful bid to host the Olympic Games.

# A Total of 85 Million Yuan Was Used in the Bid To Host the Olympic Games

According to the figure provided by the State Council General Office, a total of 85 million yuan was used in the bid to host the 2000 Olympic Games, mainly in the areas of organization, propaganda, and reception. Local governments across the country contributed 26 million yuan for use in propaganda, enterprise and units donated 35 million yuan, and contributions from overseas, Hong Kong, Macao, and Taiwan topped 20 million yuan.

Compared with the political loss to the CPC, this amount of money, which was spent in vain, was perhaps "child's play," or "a small sorcerer in the presence of a great one."

#### Article Outlines 'Resistance' to Mao Cult

HK0610043293 Hong Kong CHENG MING in Chinese No 192, 1 Oct 93 pp 14-15

[Article by Lo Ping (5012 0393) and Li Tzu-ching (7812 5261 0079): "Celebrities Oppose Mao Cult"]

[Text] The attempt by a number of senior CPC members, General Secretary Jiang Zemin, and henchmen of Chen Yun faction such as Deng Liqun to exploit the memorial activities of Mao Zedong's 100th birthday to push the Mao cult to a new height has met with resistance from democratic parties, the All-China Federation of Industry and Commerce [AFIC], and intellectuals.

There are activisies to cultivate Mao worship on the one hand and to oppose the Mao cult on the other.

A number of senior CPC members, General Secretary Jiang Zemin, and henchmen of Chen Yun faction such as Deng Liqun wanted to exploit the memorial activities of Mao Zedong's 100th birthday to push the Mao cult to a new height.

The voice of opposition came from intellectual and democratic activists, and more recently from a number of noted personnel from various circles.

### 50 People From the AFIC Signed a Letter Opposing the Mao Cult

In the second half of August, 50 people from democratic parties and the AFIC, such as Sun Fuling, Sun Qimeng, Wang Guangying, Li Peiyao, Cao Zimins, and Yang Jike, submitted a collectively signed letter of petition to CPC Central Committee General Secretary Jiang Zemin, expressing their worry about the possibility that the Mao cult might seriously undermine the confidence of non-party personnel and members of the AFIC about the four modernizations, as well as their endorsement of and full support for the party's line. Jiang Zemin and Li Ruihuan met with Sun Fuling, Wang Guangying, Li Peiyao, and other people. Wang Guangying gave Jiang and Li a letter entitled "Our Opinion on the 'Mao Cult."

# Ba Jin, Bing Xin, and Other People Initiate a Signature Campaign Requesting a Halt to the Mao Cult

This is not the first time such a thing has happened. As early as mid-July, 32 noted literary experts, historians, and scientists signed a letter to the CPC Central Committee stating very clearly their opposition to the cult of Mao Zedong. Ba Jin, Bing Xin, and Zhou Gucheng initiated a signature campaign for the letter, which was entitled "Request to the CPC Central Committee That the Artificially Created Mao Cult Be Corrected."

Before this, Ba Jin had stated that the cultivation of Mao Zedong worship was a step backward. In a visit in early May, Zhu Rongji asked Ba Jin about his requests, and Ba said: "I do not understand why the government would not agree to building a 'Museum of the Great Cultural Revolution.' Now it wants to create a worship of Mao Zedong. This is going backward. I am worried that the government is repeating the same road."

#### Zhou Gucheng: The Mao Cult Would Ruin Things

In the first half of September, when Wu Bangguo and Huang Ju visited China's noted activist [huo dong jia 3172 0520 1367] and historian Zhou Gucheng in Huadong Hospital on the behalf of Jiang Zemin, Zhou told the two men: Upholding Deng Xiaoping's line, cracking down on graft, and strengthening the legal system bring hope to the country.... But I worry that a resurrection of the Mao cult would pull us back to the days of "struggle" which ruined everything. Please give my message to Chairman Jiang Zemin that the Mao cult would ruin things and lose people's hearts (for this please refer to the 11 September State Council General Office brief report).

# 32 Noted Personnel Signed a Letter Putting Forward Eight Points of Opinion

A letter signed by 32 noted literary experts, historians, and scientists put forward eight points of opinion, which

- 1. The Third Plenary Session of the 11th CPC Central Committee arrived at a tentative conclusion and evaluation of Mao Zedong. The central authorities obviously took into consideration the political situation in those days, and democratic parties, the AFIC and non-party personnel had their reservations. (CHENG MING editor: This is the first time such a thing has been made public.)
- 2. Democratic parties, the AFIC, and people of various circles basically had a negative view of Mao Zedong's line of building and ruling the nation at the time of establishing the nation.
- 3. Mao Zedong's "class struggle" and "class classification," and his central work line for the whole party and country inflicted enormous destruction on the country and the people.
- 4. Mao Zedong's call to learn from the Soviet Union and to have births, and his theory of greater achievements from a large population left the descendants of the Chinese race a century of dire effects; the pursuit of the country was affected.
- 5. The Great Cultural Revolution launched by him hurt the country deeply, brought pain to the people, retarded the development of the Chinese race, and left a dark page in history.
- 6. Mr Deng Xiaoping's nation-building and nationruling theory has corrected Mao Zedong's line of "struggle" and Hua Guofeng's "two whatever's," and was formulated on the basis of the national situation.
- 7. The revival of the Mao cult inevitably will deal a physical and mental blow to tens of millions of innocent victims and their families, shake people's confidence in the party's line, and facilitate a comeback of the "leftist" ideological current.
- 8. Now is the time for the ruling party and the government to review comprehensively Mao Zedong's nation-building and nation-ruling theories; now is a good opportunity to fully implement and develop Deng Xiaoping's theories amid construction and reforms.

#### Qiao Shi: The Opinion Should Be Taken Seriously

It has been learned that the CPC Central Committee General Office circulated the "Request to the CPC Central Committee That the Artificially Created Mao Cult Be Corrected" among Political Bureau members, state councillors, and National People's Congress vice chairmen, and in mid-August among persons in charge of ministries and commissions and among party and government leaders in provinces, autonomous regions, and cities. The central authorities did not give any commentaries to the letter.

Qiao Shi reportedly has said: "This is an opinion and to some degree representative, and should be taken seriously." Instructions from Li Ruihuan were: "Respect the opinion, but avoid contention." Other standing committee members returned the copies with the remark: "Read."

# Song Rengiong and Wan Li Believe There Is a Market for the Anti-Mao Cult

The comments from Song Renqiong were: "There is a large market within and without the party for negating Chairman Mao's great deeds and achievements, as well as Mao Zedong Thought. Can these 30-odd people represent all the democratic parties and nonparty personnel?" Wan Li's comments were: "Different positions should be tolerated. We should not force people. We should see that the opinion represents the view of a large number of people, including those in the party."

An informed veteran writer very much appreciated Wan Li's comments, saying that it looks as if the general public has nothing against the Mao cult, but this is because people are looking at Mao Zedong as a dead tiger that is unable to do any harm. Some young people are buying Mao Zedong badges and pictures as toys, interesting decorations, or souvenirs. There are not too many people who genuinely worship Mao.

#### Intellectuals and People of Democratic Persuasion Are Worried That the Mao Cult Would Revive the "Leftist" Current

Another university professor believes that there are worries in his circle about the Mao cult because the "leftist" faction within CPC high levels might exploit the Mao cult to whip up another "leftist" current to stop the progress of reform and opening up. He says they are not overreacting when they worry because, although the "leftist" faction is not powerful, nevertheless it is still intent on changing the reality and staging a comeback of the Mao era. What merits particular attention is that Deng Xiaoping's thinking has not originated and developed on the basis of a complete break with Mao Zedong Thought. In the area of political structure, it obviously still carries the heritage of Mao Zedong Thought. Moreover, the incumbent general secretary also worships Mao Zedong. It is only natural that the nonparty people of democratic persuasion and those in academic, art, and literary circles worry about the cult of Mao Zedong.

## Beijing's Mao Badges Memorial Hall Opened To Public

HK0610034893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0925 GMT 27 Sep 93

[Text] Beijing, 27 Sep (ZHONGGUO TONGXUN SHE)—The first Mao Zedong Badges Memorial Hall, a 3 million yuan investment that occupies an area of 1,600 square meters, opened to the public in the Beijing suburb of Yanqing County on 18 August.

The memorial hall is divided into seven exhibition areas that display more than 100,000 Mao Zedong badges from various periods. The badges, which were collected in various localities, were made from gold, silver,

copper, aluminum, porcelain, bamboo, and other materials. The largest badge has a diameter of 35 cm, and the smallest a diameter of merely 6 mm. Many of the badges are treasures and are the only ones extant.

Portraits, sculpture, and waxworks of Mao Zedong made by noted painters and sculptors in the country also are exhibited in the memorial hall.

#### Selected Writings of Hu Qiaomu Published

OW0510161293 Beijing XINHUA in English 1513 GMT 5 Oct 93

[Text] Beijing, October 5 (XINHUA)—The second wolume of selected writings of late Marxist theorist Hu Qiaomu and a collection of his poems were published recently.

Hu Qiaomu died of illness at the age of 81 on September 28 of last year in Beijing. He was a member of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party, director of the leading group in party historical research work and president of the Chinese Academy of Social Sciences.

Included in the second volume are 40 important articles and speeches of the late Marxist theorist on party historical research work, and on the policies and theory of the Communist Party of China (CPC).

The collection of his poems published this time was entitled Human Beings Are More Beautiful Than Moonlight.

Nearly 100 experts, scholars and celebrities from the capital's fields of theory, culture and the press gathered together at the Chinese Academy of Social Sciences today and held a discussion to cherish the memory of the veteran proletarian revolutionary.

# Exiled Dissident Han Dongfang Files Lawsuit in Beijing

OW0510140193 Tokyo KYODO in English 1349 GMT 5 Oct 93

[Text] Beijing, Oct. 5 KYODO—Exiled labor leader and dissident Han Dongfang filed a lawsuit against the Public Security Bureau on Tuesday for confiscating his passport and depriving him of the right to return to China.

Zhou Guoqiang, friend and legal consultant to Han, filed the suit at Beijing's Intermediate Court.

The suit demands Han have the right to return to China, compensation for material and mental losses incurred by his forced exile and a public apology.

Han was thrown out of China on August 14 after returning from the United States, where he had undergone medical treatment for tuberculosis he contracted while in a Chinese prison.

Han was detained without trial in 1989 for establishing an autonomous workers union during the democracy demonstrations that were crushed by the Chinese Army.

Zhou said the court had 10 days to decide whether or not to hear the case. If not, he said he would appeal to a higher court.

Han is technically "stateless," but has been given the right to reside in Hong Kong by the British Government.

#### Further on Suit, Demands

HK0610115293 Hong Kong MING PAO in Chinese 6 Oct 93 p A16

[Report: "Han Dongfang Instructs His Lawyer To Sue Ministry of Public Security For Infringing on His Right of Personal Freedom"]

[Excerpt] Han Dongfang, a leader of China's workers movement who is stranded in Hong Kong, yesterday instructed his lawyer, Zhou Guoqiang, to take legal proceedings against the Chinese Ministry of Public Security for infringing upon his citizen's right of freedom. He demanded that the Ministry of Public Security make an open apology and allow him to enter China. It is not yet known whether or not the Beijing Intermediate People's Court will accept and hear the case.

In a complaint he filed at court, Han Dongfang pointed out that it was illegal for the public security organs to expel him from the country. He also raised the following four points and demands: 1) Make a court decision to allow Han Dongfang to enter the country. 2) Abolish the decision made by the public security organs to invalidate Han Dongfang's passport. 3) Compensate all the material and spiritual losses brought on Han Dongfang by illegal administration. 4) Make an open apology. Appointed by Han Dongfang as his representative, Zhou Guoqiang indicated that the Beijing Intermediate People's Court has seven days to decide whether or not to accept and hear the case. If the court decides not to hear the case, they will submit the case to the Beijing Supreme People's Court. [passage omitted]

#### Li Lanqing, Luo Gan Attend Disabled Persons Meeting

OW0510161193 Beijing XINHUA in English 1451 GMT 5 Oct 93

[Text] Beijing, October 5 (XINHUA)—Some 1.26 million handicapped persons in China have recovered during the last five years, according to statistics from the China Disabled Persons' Federation (CDPF).

Addressing a national meeting held here today for reviewing the "five-year work program for persons with disabilities (1988-1992)", State Councillor Peng Peiyun said that China has made great progress over the last five years in the life of handicapped people.

The meeting, attended by Vice-Premier Li Lanqing and State Councillor Luo Gan, was organized by the State Council Coordination Committee for the Work of Disabled Persons.

During the past five years, the program has provided corrective surgery for 320,000 children suffering from sequelae of poliomyelitis, offered hearing and language training to 38,000 deaf and mute children and cured 900,000 adult cataract patients, said Peng, who is also director of the State Council Coordination Committee for the Work of Disabled Persons.

To date, China has established more than 1,100 special schools for disabled children. Over 370,000 handicapped students are attending such schools.

Peng said the Chinese Government has attached great importance to the welfare of the disabled. Currently, over 1.4 million handicapped people are employed, which makes up one percent of the total workstaff in the country.

Meanwhile, self-employed disabled persons have increased notably and an employment network throughout the country is being formed for the handicapped, Peng said.

In addition, the government has set up a special loan of 100 million yuan to support those who are poor and disabled, since the handicapped people and their family members account for half of the total poverty-stricken population in China.

Peng asked for strengthening of control over mental disease and iodine-deficiency and bolstering of the supply of daily necessities for handicapped people in the coming years.

She also urged localities to further promote compulsory education and professional training for the handicapped.

#### Housing Construction To Accelerate in Urban Areas

HK0510103893 Beijing CHINA DAILY in English 5 Oct 93 p 3

[By staff reporter: "Per Capita Living Area on Rise in Urban Areas"]

[Text] Urban dwellers have more living space these days, but there is still a long way to go to solve the shortage of housing in the country.

The central government plans to meet the challenge by speeding the pace of housing construction.

Urban living space in China had expanded from 5.6 square metres to 7.9 square metres per person by the end of 1992.

National per capita housing will reach 8 square metres by the turn of the century, according to the Ministry of Construction. The ministry said the construction of housing, with yearly increasing investment, is increasing at a faster rate than population growth.

Last year China poured a total of more than 75 billion yuan (\$12.9 billion) into urban house construction, a 43.5 per cent increase over 1991.

The figures were disclosed by Minister of Construction Hou Jie yesterday in the capital, marking the International Day of Shelter.

As a result, some 178-million-square metres of housing was built in 1992, a 25 per cent increase over the previous year, the minister said.

The last decade also saw a 1.7-billion-square-metre increase in urban public housing, which totalled 3 billion square metres by the end of last year.

Rural residents, who build their own houses, have much more spacious living quarters than urban residents.

According to Hou, a total of 603 million square metres of housing was built in the country's vast rural areas last year, 41 per cent of which were storied buildings, which shows that more and more rural people are seeking better dwellings and improved living standards.

The per capita construction space in rural areas increased to 20.86 square metres lBst year, according to the sources.

Housing has become a more crucial issue since the country has basically completed its task of feeding and clothing its enormous population.

However, according to a recent report in the Guangming Daily, there are still 120,000 families crowded in quarters with a per capita living area of less than 2 square metres, far below the national average.

The Ministry of Construction plans to build more houses, especially well-equipped residential quarters with complete community services, such as schools, shopping centres, post offices and hospitals.

Macro-control will be used over the once mushrooming real estate market and investment structure will be readjusted so as to help boost public housing construction, said Hou.

While speeding up housing construction, the minister said that the country would also deepen and widen the reform of its decades- old housing system.

A total of 1.35 billion square metres of housing is to be built in the next seven years to improve urban residents' living conditions, according to the ministry which oversees the construction of housing on a national level.

The plan calls for building 150 million square metres annually in the next couple of years and 180 million from 1995 to 2000.

#### Science & Technology

#### Zou Jiahua Addresses Geology Meeting

OW0510121493 Beijing XINHUA Domestic Service in Chinese 1217 GMT 4 Oct 93

[By correspondents Zhang Chaowen (1728 6389 2429) and Zhu Youdi (2612 1635 2769]

[Text] Beijing, 4 Oct (XINHUA)—A meeting to discuss the establishment of the organization committee for the 30th International Geology Conference was held on 4 October in Beijing. Premier of the State Council Li Peng sent a congratulatory message. Vice Premier Zou Jiahua spoke at the meeting.

In his greeting message, Li Peng said that the formal opening of the meeting to discuss the establishment of the organization committee for the 30th International Geology Conference is a long anticipated major event of our country's geology circles. In this regard, please accept my heartfelt congratulations on the opening of this meeting and I wish the meeting a success.

Li Peng's message continued, noting that the large-scale international conference on geology, which is more than one hundred years old, is one of the high-level international academic conferences. We are pleased to host the 30th International Conference on Geology in China. I believe this major event of the international geology circles will help enhance cooperation and exchanges in the sphere of geology among nations in the world and will also be of great significance to our country's further opening up and to the socialist modernization drive. It is hoped that with the great support of relevant departments and regions, the organization committee and work committees of the conference will work together, unite with broad mass of geological workers, jointly do a good organizational job on the next international geology conference, and contribute their proper share to the progress and development of geological science and geology work.

State Council's Vice Premier Zou Jiahua spoke at the meeting. He said geology work is the foundation of and the prerequisite for the development of the national economy. It has played major role in our country's socialist construction. Particularly since China's implementation of the policy of reform and opening up and with the constant expansion of exchanges with foreign countries, our country's geology work has increasingly converged with international geology work and has begun to play an increasingly important role. The holding of the international geology conference in Beijing, considered a wide-ranging and high-level conference by the international geology circle, will prove to be far more significant for enhancing extensive ties among international geology circles and promoting the development of our country's geology science. On behalf of the State Council, Zou Jiahua extended a warm greeting to the establishment of the organization committee.

Zou Jiahua said that as the sponsoring country of the international conference, China should, on one hand, fully display to our counterparts in the world the tremendous achievements that China has scored in the area of geology work and publicize the vitality that reform and opening up has injected in geology work, as well as the great potential that exists in current geology work. On the other hand, we need to humbly learn advanced geological techniques from foreign countries so that we may make extensive use of their strengths.

State Councillor and Minister in Charge of State Science and Technology Song Jian also sent a written message to the meeting.

The international geology conference, held every four years, is a gala gathering of the world's earth science circles. It is also one of the biggest international academic conferences, dubbed the "olympics" of geology by international geology circles. The first international geology conference was held in Paris in 1878. A total of 29 international geology conferences have been held in its 115-year history, most of which were hosted by Western countries. So far, developing countries have only hosted four international geology conferences.

With the State Council's approval, today saw the formal formation of the honorary committee, advisory committee, and organization committee for the 30th International Geology Conference. Premier Li Peng will be chairman and Vice Premier Zou Jiahua, Vice Premier Qian Qichen, State Councillor Song Jian, and State Councillor Luo Gan will be vice chairmen of the honorary committee for the next international geology conference. Members of the organization committee come from 48 ministries, commissions, associations, societies, bureaus, companies' head offices, and schools. Leaders of these departments and units attended today's meeting. Zhu Xun, minister of the Geology and Mineral Resources, was made chairman, and Zhang Hongren secretary general of the organization committee of the 30th International Geology Conference.

The 30th International Geology Conference will be held in Beijing in August 1996. As the last conference of the twentieth century, the 30th International Geology Conference will be of special importance because it is entrusted with the important tasks of summing up this century's geology development, of showing the world the major driving force of geology in human progress, and of holding out the prospects for the development of geology in the next century.

# Press Increases Coverage to Environmental Problems

OW0510135193 Beijing XINHUA in English 1328 GMT 5 Oct 93

[Text] Beijing, October 5 (XINHUA)—About 100 journalists from the PEOPLE'S DAILY, the XINHUA NEWS AGENCY, China Central Television and other national news organizations will leave Beijing this week

to embark on a tough assignment: writing in-depth stories about the country's serious environmental and ecological problems.

This unprecedented mass media campaign to publicize environmental problems was organized by the Environmental Protection Committee of the National People's Congress (NPC), the Chinese Communist Party's Propaganda Department, the Ministry of Radio, Film and Television, and the State Bureau of Environment Protection.

The campaign reverses the practice of providing minimal space in the press to the problems China faces as it pushes forward with its economic modernization plans.

"As a large developing nation, China has played an increasingly important role in international environmental affairs," said Qu Geping, chairman of NPC's Environmental Protection Committee.

"For decades, despite a shortage of funds, China has made significant achievements in the control of environmental pollution and maintaining ecological balance," he noted.

"This press campaign has once again shown the determination of the Chinese people in cleaning up the earth," he said.

According to officials from the party's Propaganda Department, major Chinese newspapers and CCTV will provide special space in newspapers or program in printing or broadcasting environmental stories gathered by the journalists.

During the three-month campaign, the NPC's Environmental Protection Committee will set up a hotline to receive complaints from the public about environmental problems. The telephone number is 3098439.

#### S&T University Expands Foreign Cooperation

OW0610071293 Beijing XINHUA in English 0633 GMT 6 Oct 93

[Text] Hefei, October 6 (XINHUA)—Known as the "cradle of Chinese scientists", the Chinese University of Science and Technology (CUST) is expanding its links and cooperation with the outside world.

The 35-year-old university, located in this capital of east China's Anhui Province, has undertaken long-term academic exchanges with world-famous universities in over 20 countries.

CUST sends some 150 faculty members abroad every year to give lectures, pursue further study, do research and attend international conferences.

After they return, they have opened about 100 new courses and held 50 seminars.

Among the returned lecturers, 119 have been appointed professors, and 220 have been appointed associate professors, accounting for over half of the total number of professors and associate professors at CUST.

Altogether, 217 have joined national scientific research projects and 34 have won patents for their discoveries.

Meanwhile, CUST has invited over 1,800 foreign experts from 38 nations and regions to work at the university and appointed a dozen world famous scientists to serve as honorary professors. Included are the noble-prize winners Dr. Chen Ning Yang, Prof. T.D. Lee and Prof. Samuel C.C. Ting.

In cooperation with Japan's Tokyo University, CUST has set up a super-clean laboratory for research on semiconductor integrated circuits.

A Russian professor from Moscow University, during a short stay at CUST, imparted the technological skill to make a high-grade part for the superconductor institute at CUST, one of China's four superconducter research bases.

To date, CUST has set up 26 international exchange and cooperation programs. Included are basic maths, low-temperature physics, synchronous radiation and conflagration experiments.

In addition, new modern labs are being built for research into semiconductor integrated circuits, optical and spectrum analysis and information processing. In addition, a computer center, an analysis center for structural elements and a precision optical machinery institute have been set up at CUST.

#### Military

#### General Chi Haotian Views Su Ning Hall

SK0610032293 Harbin HEILONGJIANG RIBAO in Chinese 14 Sep 93 p 1

[Text] On the morning of 13 September, General Chi Haotian, state councillor, concurrently minister of national defense, and member of the Central Military Commission, went to the artillery regiment of a certain unit of the People's Liberation Army, where Su Ning served before his death, to visit the officers and men and view the Su Ning Deeds Exhibition Hall.

At the exhibition hall, when Chi Haotian caught sight of the enormous items left behind by Su Ning, he praised the hall by nodding. He carefully examined the manuscript of the thesis of Su Ning that had been read by Secretary General Jiang Zemin.

When entering the small room where Su Ning had lived, Chi Haotian specially took note of the tooth glass, that was presented by the locality to Su Ning in 1977. Finding that a piece of adhesive tape was stuck on this broken glass, he was filled with all sorts of feelings. He said to leaders of the regiment where Su Ning had served: Su Ning was the example of the Army and of our times. All comrades, including me, should learn from Su Ning's fine work style and noble character of devoting himself heart and soul to the cause, ardently loving the party and the army, loving and digging into what he was engaged in, and strictly enforcing discipline. Only by training a large number of Su Ning-type successors can we ensure that the nature of our party and our Army will never change its color and our cause will become more prosperous.

After viewing the exhibition, Chi Haotian happily wrote the name for the Su Ning Museum and wrote inscriptions: "Learning from Comrade Su Ning, devoting ourselves to national defense, and bravely blazing new heights."

On the evening of 12 September, Chi Haotian also went to the home of Su Ning's parents to visit Su Xing and Feng Jingxuan, Su Ning's parents; Wu Qinghua, Su Ning's wife; and Su Renren, Su Ning's son. He also expressed respects to them on behalf of the Central Military Commission and its general departments.

Chi Haotian also inquired about Wu Qinghua's work situation and asked her to pass on his regards to the father-in-law and mother-in-law of Su Ning.

#### Logistics Chief Addresses Meeting

HK0210055393 Beijing JIEFANGJUN BAO in Chinese 14 Sep 93 p 1

[Report by reporter Zhou Tao (0719 3447) and special reporter Zhang Dongbo (1728 2639 3134): "PLA General Logistics Department Strengthens Measures for Clean Administration Building"]

[Text] At the PLA General Logistics Department's discipline inspection work meeting, which was held from 7 to 9 September, Fu Quanyou, member of the CPC Central Military Commission and director of the General Logistics Department, stressed: "As the administrative department of the entire Army's funds, goods, and materials, the General Logistics Department must set a good example in strengthening the building of party style and clean administration."

Fu Quanyou pointed out at the meeting: First, we must do a good job in fostering honesty and self-discipline ar ong leading cadres and leading organs. Cadres at and above the regiment level, and those at and above the army level in particular, must examine themselves using the five prohibitions which the Second Plenary Session of the CPC Central Commission for Discipline Inspection issued for leading cadres. Second, we must concentrate our energies to investigate and punish a number of cases. Cases which have been cracked must be reported, as negative typical cases, to the Army to serve as a warning. Third, we must check unhealthy tendencies in the Army, such as abusing power to seek selfish interests.

Fourth, we must reverse such malpractices as extravagance, waste, and squandering of public money. We must impose strict control over the number of leading cadres and functionaries who go abroad. Fifth, we must rectify production and management. At present, we must specially emphasize the strict observance of discipline. During the period of readjusting production and management, nobody is allowed to dispose of and illegally share with others money and property or to fabricate false accounts, but efforts must be made to manage well real estate and facilities.

Fu Quanyou pointed out in his speech: To fight against corruption and advocate clean administration, we must begin with leading cadres and organs and one's own unit from this day onwards. Leading cadres and organs must have a clear understanding of their own historical responsibility and play an exemplary role in clean administration building. On the one hand, they must be strict with themselves, have self-discipline, and discipline well personnel working at their side, as well as their family members. On the other hand, they must be brave in shouldering responsibilities, dare to enforce strict discipline among their subordinates, and conscientiously accomplish their own units' building of party style and clean administration.

At the meeting, Zhou Keyu, political commissar of the General Logistics Department, made remarks on the issue of paying close attention to investigating and checking five kinds of unhealthy tendencies in the Army and improving the combat strength of party organizations in the clean administration building in combination with the characteristics of logistics work.

#### Navy Using Simulators in Operational Training

HK0510065093 Beijing JIEFANGJUN BAO in Chinese 19 Sep 93 p 3

[Report by Wang Peihong (3769 0160 1347) and Pan Yutian (3382 3768 3944): "The Navy Extensively Uses Simulators Throughout the Submarine Training Process"]

[Text] One can master various skills concerning submarine manipulation, maintenance, and operations without being trained on a real submarine at sea. This is a miracle created by the PLA Navy Submarine College, which has developed a series of simulation training systems by making use of high and new technology. These systems have enabled the Navy, for the first time, to extensively use simulators throughout the submarine training process. Over recent years, with the help of high technology, the submarine college has "moved," in the form of simulation, the major facilities, functions, and operating skills of submarines, one after another, into 22 special classrooms and labs. In addition, in light of the special features of modern naval battles, the college also has produced a series of applied combat training software to move the maritime "battlefield" into classrooms; as a result, a continuous simulation teaching is conducted

thorughout the specialized training process, and the required training time has been reduced by a large margin. These reporters saw with their own eyes when covering the story that after going through more than 10 days of live operational training in a submarine manipulation lab, students can skillfully operate a submarine to conduct underwater maneuvers.

In a special submarine command classroom, a "Red" and a "Blue" army, formed by the students, are conducting a confrontation exercise on a "submarine tactical simulator." The simulator enables them to carry out confrontation exercises on 13 submarine tactical subjects, and provides commanders with an all-positioned offensive-defensive training ground in arbitrary combat modes. With a cost of a little more than 1,000 yuan a day, the Navy can achieve the same results as in live submarine operational training at sea and save as much as over 30,000 yuan in fuel alone.

Statistics have showed that since it first carried out the high-tech simulation project in its specialized training, the college has attained an accumulative total of 37 accomplishments in teaching and 150 in scientific research, among which more than 50 have won national-level and military-level Scientific and Technological Progress Awards. So far, more than 20 countries have sent military delegations to the college for a visit.

#### General on Shanghai Antiaircraft Division

OW0510144393 Shanghai JIEFANG RIBAO in Chinese 13 Sep 93 p 3

[Interview with Major General Wang Jinchong, deputy commander of the Shanghai Garrison District, by unidentified correspondent; date, place not given: "Major General Wang Jinchong, Shanghai Garrison District Commander, Answers Questions About Establishing an Antiaircraft Artillery Reserve Division"]

[Text] In compliance with the demand of the Central Military Commission, the General Staff Headquarters of the People's Liberation Army [PLA], and the Nanjing Military Region, an antiaircraft artillery reserve division of the PLA Army will be established in Shanghai this year—this will be an event of great significance in Shanghai's history of armed forces work and of building its national defense reserve force. This reporter recently interviewed Major General Wang Jinchong, deputy commander of the Shanghai Garrison District, on issues concerning the establishment of the reserve division in Shanghai.

[Reporter] What kind of troops are reserve forces?

[Wang Jinchong] Reserve forces are organizationally a part of the PLA—they are an important component of China's armed forces. They are based on active-duty servicemen and have reserve-duty officers and men as their backbone. They are organized in advance, their cadres are appointed in advance, and their soldiers are decided on in advance; they are established according to

the PLA's organizational procedure, and have considerable combat capability. Their organizational system is sound, they are tightly organized, and their organizational system, weapons, and equipment are basically the same as those of active-duty forces. Military and political training is regularly conducted every year among reserve troops. In peacetime, officers and men of reserve forces work at local party and government organs, enterprises, institutions, or rural areas.

[Reporter] What is the great significance of establishing an antiaircraft artillery reserve division of the Army in Shanghai? What is the guiding ideology for it?

[Wang] In the current situation, in which the whole party and people across the country are dedicating their energy primarily to developing the socialist market economy and quickening the pace of reform and opening up, establishing an antiaircraft artillery reserve division of the Army in Shanghai has great strategic significance. First of all, establishing reserve forces is in line with the development of international and domestic situations. To meet the needs arising from the complicated and changing international situation, all countries have been concentrating on readjusting their development and national defense strategies to enhance their overall national strengths. Against this background, the party Central Committee and the Central Military Commission have laid down a national defense development strategy that "combines standing armed forces that are small in size but highly trained with huge reserve forces." Second, establishing reserve forces is a need to properly prepare for war mobilization in peacetime and to effect rapid mobilization in wartime so that once a war breaks out, reserve forces can be transformed into active-duty forces in an organized manner. Third, establishing reserve forces is done to meet the needs of national economic construction and national defense building. Currently, the state is concentrating resources on economic construction, and therefore it is unable to allocate more funds for national defense spending. So, contradictions between maintaining troops in peacetime and using troops in wartime have become more prominent. By establishing reserve forces—using active-duty cadres as the backbone, using a small amount of funds to support troops, let soldiers reside among civilians, maintain a relatively small number of troops in peacetime, and mobilizing large numbers of troops in wartime—we can reduce national defense spending, thereby saving more manpower and financial and material resources for economic construction, which will fundamentally strengthen our national defense.

Another reason is that establishing reserve troops in Shanghai will contribute to ensuring Shanghai's security and stability, as well as to its efforts to build material and spiritual civilizations. Shanghai is located at the country's southeast coastal area; it is the country's economic and cultural center as well as one of the country's important strategic points. Establishing an antiaircraft artillery reserve division of the Army in Shanghai will contribute to improving the structure of the city's reserve

soldiers, to improving soldiers' quality, and to further enhancing these soldiers' combat effectiveness, so that they can join local active-duty troops in defending and constructing Shanghai. This antiaircraft artillery reserve division also will be new blood for Shanghai's efforts to promote material and spiritual civilizations.

[Reporter] Who are those to be recruited for the reserve division and what are the requirements for joining it?

[Wang] Personnel of the reserve division must meet the following requirements: They must ardently love the CPC and socialism, be concerned about national defense building, have relatively good military training and political consciousness, and have considerable ability to organize and command. They must be 18-24 years old for ordinary soldiers; the age limits for soldiers of some specialized technical services may be appropriately extended. They must be healthy and have attended a junior (senior) middle school. Officers of the reserve division will be primarily selected from demobilized military cadres, cadres of the People's Armed Forces (professional armed forces), militia cadres, and other local cadres. Soldiers of the reserve division will be recruited from demobilized soldiers who meet the requirements for joining reserve forces, trained core members of the militia, and local people specifically trained for reserve forces. Enrollment, physical examination, and approval for acceptance will be carried out according to the guidlines set at the relevant documents jointly issued by the Shanghai Municipal CPC Committee Office and the Shanghai Garrison District Com-

[Reporter] Can you describe the relations between the reserve division and its leading organs?

[Wang] The antiaircraft artillery reserve division of the Army in Shanghai is organizationally under the Shanghai Garrison District and is under the dual leadership of the Shanghai Municipal CPC Committee and the Shanghai Garrison District. All reserve regiments are under the command of the reserve division and are under the dual leadership of the local district or county CPC committee and government, and the reserve division. Battalions are under the command of their respective reserve regiment and are under the dual leadership of the local district, county, or bureau CPC committee, government, or People's Armed Force department, and their respective reserve regiment. Contingents directly under the reserve division are under the command of the division and are under the dual leadership of the local district, county, or bureau CPC committee, government, or People's Armed Force department, and the reserve division.

[Reporter] What are the citizens' duties in the establishment of the reserve forces?

[Wang] The "Constitution of the People's Republic of China" stipulates: "It is the sacred obligation of every citizen of the People's Republic of China to defend the motherland and resist aggression. It is the honorable duty of citizens of the People's Republic of China to perform military service and join the militia in accordance with the law." Meanwhile, it also stipulates: "Apart from those who are recruited for active service, all male citizens aged 18 to 35 who meet the requirements for military service shall be recruited to serve in militia organizations." Joining reserve forces and joining active military service is a similar way for the citizens to participate in military service in accordance with the law. It is an honorable and sacred duty every citizen of the right age should perform. Joining reserve forces is not only performing the duty in accordance with the stipulation of the law, but also an honorable act of fulfilling the lofty mission of defending the motherland.

[Reporter] What is the demand for establishing the reserve division?

[Wang] The garrison district as well as party committees and governments at all levels must realistically strengthen their leadership, plan earnestly, and effectively implement the task. People's armed forces at all levels must consider the task their duty and fulfill it to the letter. Party committee organs and propaganda and cultural departments at all levels as well as mass organizations such as workers', youth, and women's groups should give wide publicity to the task with all means. They should vigorously publicize the great significance for establishing the reserve forces to make it known to all people. The vast number of cadres and youth of the right age, particularly the vast number of communist party members and members of the Communist Youth League, should actively respond to the call of the party and government and perform their sacred and honorable duty. They should link their personal interest and future closely with national interest and submit themselves to the selection of the state. The vast number of transferred. demobilized, and retired soldiers are the backbone of the reserve forces, and should make new contributions to strengthening the construction of the reserve forces of national defense. The broad masses should actively support the task of establishing the reserve forces and enthusiastically encourage their relatives to join the forces.

# Yunnan Units Called Upon to Emulate Advanced

HK0210074093 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 25 Sep 93

[Text] The Yunnan Military District CPC Committee made a decision on 21 September, calling on units under its command to emulate a border regiment which remained clean and honestly guarded the frontier. The regiment was commended by Zhang Zhen, vice chairman of the Central Military Commission.

The regiment is garrisoned at a Yunnan border post. Along with the opening of the post and brisk trade in recent years, smuggling, drug trafficking, prostitution, superstition, and other activities—which were abolished at one time—have cropped up again. Regarding this, the

regiment party committee insisted on applying advanced thinking to educate and train people. The party committee leaders set an example in fighting corruption, honestly performing their duties, leading a plain life, and selflessly dedicating themselves. They joined the officers and men in combating money worship, hedonism, and blatant egoism, which enabled the officers and men to withstand tests in a complicated environment.

No criminal cases or accidents have occurred in the regiment for six successive years since 1987. The regiment CPC committee was chosen by the Chengdu Military Region as an advanced party committee. The regiment is also chosen as an advanced unit in emulating Lei Feng. The regiment's 18 projects were commended by the regiment and the Chengdu Military Region, and 24 other projects were commended by the Yunnan Military District and the Provincial Government.

While leading a work team to inspect the regiment in early September, Zhang Zhen, vice chairman of the Central Military Commission, praised their efforts to resist corruption and maintain their fine tradition. He also wrote an inscription: Inherit and carry forward the glorious tradition of the Red Army and carry forward the Good Eighth Company's revolutionary spirit of resisting corruption and keeping themselves clean.

The Yunnan Military District CPC Committee decided to extensively launch a drive of emulating the regiment. The deeds and experiences of the regiment should be emulated from five aspects: First, emulate their good image of standing up for what is right, defending the motherland, and fostering healthy tendencies. Second, learn how to apply advanced thinking to educate and train people and give full play to the role of ideological and political work. Third, emulate their revolutionary spirit of building the Army through arduous efforts. Four, emulate their experience of strictly administering the Army in light of the law and comprehensively building the regiment. Fifth, learn how to purify the environment, combat evil trends, and foster uprightness. The decision says: To emulate the regiment, it is necessary to deepen ideological understanding. Leaders of the party committees at all levels should pay attention to the Army's work of resisting corruption and running a clean administration. Emulation of the regiment should be regarded as a practical move in implementing the spirit of the Second Plenary Session of the Central Discipline Inspection Commission and the All-Army Discipline Inspection Work Conference. It is necessary to grasp the work of combating corruption in a down-to-earth manner and promote party style and clean administra-

Major Zhu Chengyou, standing committee member of the Provincial CPC Committee and commander of the Provincial Military District, read the decision at the Yunnan Military District Discipline Inspection Work Conference held on 22 September.

# Economic & Agricultural

Article on Financial Reform, Structural Change HK0610105493 Beijing JINGJI RIBAO in Chinese 2! Sep 93 p 7

[Article by Wang Jue (3769 3778): "Financial Reform Has Become the Key to Structural Transformation"]

[Text] In terms of economic structure, China's reform is a transformation from the highly concentrated planned structure to a market structure, and in terms of economic type, it is a transformation from the barter economy to a currency economy. Judging from the process of economic reform, the consumer goods, production means, and labor markets have developed considerably, and competition has increasingly become an active element. Reform of the commodity price structure is nearly complete. The commercialization of the Chinese economy has been intensified to a great extent. Hence, China's economic reform has made a great step forward. However, seen from the objective of ultimately establishing a new socialist market economic structure, the monetization of the Chinese economy remains at a relatively low level, whose outstanding manifestation is that reform and development of the financial system lag behind seriously. This has become a bottleneck hindering reform of the economic structure and development of the national economy.

### I. The Lagging of Financial Structural Reform Has Seriously Arrested the Deepening of Reform in Other Fields of Endeavor

Economic restructuring has moved from reform on a single-item basis to supporting reforms in all fields of endeavor. Changing the way the large and medium-sized state-owned enterprises operate, fostering and developing the market system, and transforming government functions are reforms which are interrelated, with each interacting with the other. In terms of the overall situation, the element which plays a comprehensive restrictive role in the abovementioned reforms is the financial structure. Financial structural reform lagging behind has seriously arrested the deepening of reforms in those aspects.

In the course of giving decision-making power to enterprises and reforming the property rights system, it is important to help enterprises effectively raise and use funds. The operation of enterprises means the operation of funds. For enterprises to develop, they should solve problems such as accumulation, debt, and investment. When enterprises are subject to regulation by market mechanisms and readjust their own production and operations, they will surely face the problem of shifting and redistributing funds. In a modern market economy, an enterprise is no longer just a commodity producer, and more importantly, it is the operator and user of funds, and the financial element plays a decisive role in this regard. This being the case, to change the way enterprises operate, there must be the support of a

powerful financial structure as a guarantee. A multilayer fund-raising market and a investment credit mechanism will enable enterprises to move from reliance on the government to that on the market in raising their funds and help promote a fundamental change in the way enterprises operate and put an end to the current situation in which reform is carried out by relying exclusively on the power delegated by the government to enterprises.

The foundation on which a market economic structure is established is a developed market economic system. In the various market systems, the money market occupies a crucial position. First, the pursuit of a market economy and the free flow and use of funds on a competitive basis will surely energize nongovernmental investment activities. Therefore, it is necessary to form an effective deposit-investment mechanism so that the deposits of the people who earn better incomes can be effectively turned into accumulation and the stock of social assets can be expanded. The financial structure plays an irreplaceable intermediary role in the formation of a deposit-investment mechanism. Second, the development and improvement of a money market system is a basic condition for the formation of multilayer market regulation. In a modern market economy, the distribution of social assets is manifested, in a concentrated way, in the society-wide flow and distribution of funds. The movement of funds means the movement of resources. If there is a lack of effective and rational regulation on the money market, there will be no way to genuinely and comprehensively form a market regulatory mechanism. Marx revealed long ago: The prerequisite and indicator of the ultimate formation of the regulatory mechanism of the market economy is the establishment of a modern credit system with banks as the core.

To transform government functions and turn the direct management of the economy to indirect macroregulation and control, necessary structural conditions and policy means are required. A fundamental breakthrough should be made in this regard. In other words, the financial structure should free itself from the position as a government planning tool and strive to become a market regulatory means. Under the modern economy, interest rates, which are the price of funds, have a direct and subtle impact on the total quantity, structure, flow, and distribution of funds. Only with a developed financial system can there be the possibility for the government to effectively implement its monetary policies and carry out its intentions through indirect regulation and control. In the absence of the money market, an intermediary link, it is difficult to effectively implement the government's macroregulation and control measures.

All this glaringly shows that financial structural reform has become the "most important" restrictive element of the overall situation of reform.

# II. The Lagging Behind of the Development of the Financial System Has Seriously Checked the Long-Term, Steady, and High Growth of the National Economy

The Chinese economy has entered a period of high growth, with investment activities surging unprecedentedly. To vigorously support the high economic growth, it is necessary to efficiently mobilize social funds and fully and rationally use them. This function should originally be performed by the financial system as the main bearer, but in terms of the current situation, it is exercised by relying on governments at all levels to a great extent. This shows in one aspect that the development of the financial system is lagging behind the growth and development of the economy.

Overall, China's financial system has not broken away once and for all from the pattern of the big government treasury under the traditional planned structure. In some aspects, the lack of market regulations has resulted in disorderly behavior by some financial institutions. Consequently, the financial system, which should have played an effective supporting and regulatory role in the high growth of the economy, not only found it difficult to undertake the abovementioned task due to its own defects, but on the contrary, it itself has become the object of consolidation. We have to admit that this is a serious hidden worry to the Chinese economy, which is taking off.

Therefore, while facing the problem of reform, it is more necessary for the Chinese financial system to solve the problem of growth and development. A big development is urgently expected in areas such as the form of financial organizations, their business scope and means, and regulations concerning their organization and operation. For example, the Chinese people's current level of consumption is in a transition period. When it comes to city residents, ordinary families of residents have owned durable consumer goods worth 1,000 yuan to 10,000 yuan each, such as color television sets, refrigerators, and video cassette recorders. However, the consumption peak of these durable consumer goods has passed. The new consumption hot points bolstering the economy must be the consumer goods worth 100,000 yuan or so, and even tens of thousands of yuan each, such as houses and cars. However, at present, as far as most residents in towns and cities are concerned, they are still not prosperous enough to afford to buy these high- priced consumer goods (even in developed countries most people cannot afford to buy houses with their immediate incomes). While formulating relatively perfect regulations, can we introduce personal consumer credit and uplift the level of consumption to a new height through the credit activities of financial institutions? This way of doing things will have the effect of killing two birds with one stone. First, it will help promote the formation of a rational construction pattern in the development of the real estate industry and put an end to the current situation in which the construction of deluxe apartment houses is excessive while there are serious shortages in

housing for ordinary residents. Second, it will help stabilize most residents' surplus incomes and effectively check the wanton raising of funds and excessive speculation in the securities market. Third, carrying housing system reform by using market means will avoid an excessive burden on government finances and the loss of state-owned housing assets. All this depends on whether or not the financial system can effectively develop the business of personal consumer credit as a precondition.

I have cited just one example above. In a word, under the modern market economy, economic stability and liveliness depend, to a great extent, on whether or not the financial system is orderly and lively and whether or not it can bring its usefulness into rational, full, and effective play.

### III. Accelerate Reform of the Financial Structure and Development of the Financial System, Suit and Promote the Process of Monetization of the Chinese Economy

The lagging behind of financial reform and development shows that China is still in the course of change from the barter economy to a monetized economy, and also shows that finance occupies a crucial position in the completion of the change. This being the case, it is necessary to accelerate reform of the financial structure and the development of the financial system and suit and promote the process of monetization of the Chinese economy. To carry financial structural reform forward, it is necessary to have a firm grasp on banks, which are the center of a modern credit system; to genuinely separate the government's administrative function and the bank's regulation and control function; and to promote the introduction of enterprise management to banks. Commercial banks' various financial businesses and operations are part and parcel of the activities of the market economy, and also a link and element of market regulatory mechanism. As the monetization of the economy deepens, the tentacles of the financial system have reached every corner of the economy, thus providing necessary conditions and ways for effective market regulation and macroregulation and control by the government.

The emergence and development of the ways of economic activities and their organizational forms, such as the reform of enterprise shareholding system and the futures market, indicate that the operational activities of funds have become increasingly activated and important and will occupy a dominant position in the entire society's economic activities. Therefore, financial structural reform must be carried out in coordination with the reform and development of the operational activities of funds. It is necessary to effectively readjust the operational activities of funds through the regulation of the money market and guide the healthy development of reform so that the operational activities of funds will become part of the benign circle of economic development.

The financial system should be vigorously developed. On the one hand, it is necessary to develop multilayer and multiform financial organizations so as to meet the needs of economic development in various aspects; on the other hand, vigorous efforts should be made to expand and strengthen financial service functions and develop effective regulation and control of consumption and investment as well as total quantity and structure through the money market.

China's reform has entered the stage of comprehensively establishing a new socialist market economic structure, at which establishing a new type of financial system is the key to the overall situation of reform and development. To accomplish structural transformation, special attention should be paid to the key.

# Report on 'Success' of Macroregulation, Control HK0610005093 Beijing JINGJI CANKAO BAO in Chinese 2 Sep 93 pp 1-2

[Report: "Initial Success Has Been Achieved in Macroregulation and Control; Reform Has Yet To Be Carried Out Further in Depth—Economists Attending a Symposium on the Situation in Reform and Economy"; first paragraph is JINGJI CANKAO BAO editor's note]

[Text] The special central position of banking in the national economy makes it inevitably the center of strengthening macroregulation and control. Aimed at the new situation and the new problems emerging in China's economy this year, the state has introduced a number of monetary measures to strengthen macroregulation and control. How about the economic situation after regulation and control have been implemented? How should we carry out further reform so we can achieve substantial progress? JINGJI CANKAO BAO and the Shoudu Steel Research and Development Company invited a number of economists in the capital to hold a "Reform and Economic Situation Symposium" on August 17, at which specialists aired their views on the above issues. Published here are extracts of speeches made by scholars who participated in the symposium.

### Reform Has Yet To Be Carried Out in Depth To Achieve Benign Economic Circulation

Zhang Zhongji [4545 6988 1015] (spokesman of the State Statistics Bureau): 1. With the introduction of China's macroeconomic regulation and control measures, China's economic situation taken as a whole is developing in a favorable direction, and initial success has been achieved. It is mainly expressed in: First, the excessive industrial growth rate has declined somewhat. Second, the number of newly started projects of fixed assets has been reduced, and the real estate and development zone fever is dropping. Third, prosperity and stability continue in the consumer goods market, and there have appeared marked changes in the market of the means of production, and speculative behavior has weakened to some extent in the sphere of circulation. Other main expressions are: For the great majority of

commodities, supply is greater than demand or supply and demand are basically balanced. The fever for residents to purchase "hot point" commodities is dropping, and they are changing from "rush purchasing" to a wait-and-see attitude. The margin of increase in social group consumption is slowing down, and the contradiction between supply and demand in the market of the means of production is alleviating to a certain extent. Fourth, exports to foreign markets are changing from a decrease to an increase, and the yuan exchange quotation on the foreign exchange swap market has risen rapidly and remains stable. Fifth, initial success has been achieved in strengthening the monetary order, the residents' savings have increased by a big margin, and money put into circulation has reduced.

- 2. There are still many outstanding problems in macroeconomic operations: The battle line of capital construction is overextended, and the margin of increase in fixed
  assets investments of state-owned economic units from
  January to July remained over 70 percent. Commodity
  prices kept climbing, and the index of cost of living for
  staff and workers in 35 large and medium-sized cities
  reached 23.3 percent in July. The retail price index in all
  China reached 13.9 percent. Finance is still quite difficult. The financial revenue of the month increased by
  20.6 percent, but after deduction of treasury bills
  income, the financial revenue decreased by 8.2 percent
  compared with the corresponding month of last year.
- 3. Several proposals for macroregulation and control during the next period.
- 1. The strength of regulation and control should be appropriate. Because expansion in total credit scale and excessive money circulation in the first half of this year have already become facts, if the strength of control is too tight in the second half, it will inevitably affect steady economic growth. Funds supply should proceed from the regulation and control targets of both preventing further aggravation of inflation and maintaining moderate economic growth; while side doors are blocked, right courses should be properly opened.
- 2. The loan structure should be favorable to the readjustment of the economic structure. Some loan projects should continue, and others be reduced, and each case should be dealt with on merit. Emphasis should be put on ensuring purchase funds for agricultural and sideline products, and enterprise production that has demand and performance, and on supporting funds required by foreign exchange earnings by export and major construction projects. It is necessary to guard against "one cutting," and in particular the current funds required by regular enterprise production and operation cannot be cut down too vigorously.
- 3. The strengthening of macroregulation and control should be combined with the quickening of reform. The current measures can only alleviate the outstanding problems existing in the present economic life, and reform has yet to be carried out in depth to promote

benign economic circulation. Various policies and measures at present should be dovetailed as far as possible with long-term measures for intensifying reform. While maintaining rapid economic growth, it is necessary to take reform of the monetary system as a breakthrough, and promote with great strides the reforms in financial taxes, investment, social security, and other macroeconomic aspects. Moreover, it is necessary to intensify enterprise reform and improve the economic legal system to promote the healthy growth of the national economy.

# Two Basic Functions of a Market Economy

Liao Jili [1675 1323 4539] (vice president of the China Structural Reform Research Society): The problem of no clear distinction being drawn between the functions of the government and those of the enterprise exists seriously in China's economic system. So far as state-owned enterprises are concerned, they are attached to administrative power. Their economy cannot operate independently according to the law of a market economy, and enterprises cannot run independently according to the law of a market economy. China's economy invariably cannot escape the strange cycle of development—readjustment—development, and the abnormal phenomenon even appears that power enters the market, which has brought about corruption.

Macroeconomic regulation and control should overcome the contradiction between general demand and general supply. In the past, under the system of planned economy, we relied on plans to regulate and control demand and supply, which brought about quite a lot of contradictions between ineffective demand and effective supply. A market economy includes two basic functions: First, optimum composition of social resources; second, benign circulation of the economy itself. The circulation of the economy itself refers to the respective circulation of the four major links of production, circulation, distribution, and consumption, and their mutual linkage. We should rely on both the visible hand, as well as the invisible hand, to regulate and control these links in the market, and cannot make light of this and attach importance to that.

Regarding enterprises, we still have to further understand some traditional ideas. The purpose for us to study the system of ownership and the organizational form of assets is to develop productive forces. Judging from the actual situation, mixed economy is a rather good organizational form of assets. The mixed economy we are talking about is a new organizational form of assets built up by breaking the monopoly of private ownership on the base of the socialist system.

# Correctly Understand the Present Situation, Quicken the Pace of Economic Reform

Yang Qixian [2799 0796 0341] (vice president of the China Structural Reform Research Society): We can say there are obviously different estimates of China's present economic situation. One estimate is that the economic

situation is very good: Investments, credit, currency, and prices are basically still within a normal range, and there are no serious problems. We should do good jobs in scientific forecasting and effective regulation and control, but it is not suitable to take contraction policies. Another estimate is that great successes have been achieved, yet there are quite serious problems. In some aspects, such as investment inflation, monetary issue, and the rising trend of prices, the situation is similar to, or even exceeds that, in 1988. We can only introduce strict contraction measures similar to the methods of rectification and control, so as to achieve economic stability and coordination. There is still another estimate which is that it is necessary to fully estimate the huge achievements scored in economic reform and development in the past year and more, correctly analyze the problems in our progress ahead and the reasons why they are serious, and take appropriate measures to cope with them. These measures should both gradually eliminate various kinds of contradictions and potential threats in the economy, and would not greatly affect the favorable momentum of economic development and reform, and the valuable enthusiasm in various fields.

I prefer the last opinion. It is mainly because the third kind of opinion both fully sees the achievements, and seriously attaches importance to the existing problems. Seeking truth from facts, it introduces different measures to cope with different situation to gradually lower the temperature of some overheated fields, such as real estate, foreign exchange, and the stock market, and to gradually heat up some aspects that require fever, such as savings deposits, and key projects construction, so as to maintain a sustained and rapid economic growth. This is also the correct method China is using at present.

In the final analysis, we must see that in China's economic development, the phenomena of being overheated when it is loose and overly cold when tight are precisely the outcome from China's economic structural reform not being in position yet. What merits special attention is that after reform for over 10 years, China is operating mostly according to the principles of a market economy in microeconomic aspects, but in macroeconomic aspects it is still basically using the old methods of the traditional planned economy period. To reverse this situation fundamentally, and to enable the economy to maintain a favorable momentum and situation, we must speed up the pace of reform in monetary, financial taxes, investments, and state-owned enterprises aspects, and build up, on a preliminary basis as soon as possible, a set of system and mechanism that can both meet with the development of a market economy and effectively carry out macroregulation and control. This is not only a complicated and arduous task placed before us, but also the key that ensures China will achieve its strategic goal of economic development in the nineties and her economic reinvigoration in the next century. We must give adequate importance to this matter and place it as soon as possible on an important agenda.

### It Is Required To Pay the Price of Reform

Wang Yu [3769 3778] (professor of the party school under the CPC Central Committee): 1. We cannot say in very general terms that a large investment scale is "overheated" economy. When we say "overheated," we are comparing it with the situation a few years ago. The investment level was low then, and that is why it appears to be "overheated" in this period of time. A few years ago, the state was the subject of all investments, and in these few years the subjects of investment are many, with investments by the state not exceeding 50 percent. Judging from the average level, the investment scale of fixed assets in these few years cannot be regarded as large compared with that in the past few years. There now exist the following two problems in state investments: First, the structure is not quite rational, and, second, no attention is paid to performance.

2. The price rise brought about by pricing reform is worthwhile. Price rises and inflation are two different concepts. The present price rise is mainly brought about by pricing reform, for instance, the release of prices of raw materials and the readjustment of prices of the transportation industry and service trades. All these are favorable to economic growth and the development of a market economy. Even if we have to pay a greater price, we ought to get the job done, much less have we actually paid any great price. The pricing reform for basic products is rational, necessary, and beneficial, and it will bring greater benefits in the long run. 3. A market economy itself includes macroeconomic regulation and control. In the present strengthening of regulation and control, I think we should pay attention to the following issues: First, do not equate regulation and control with planned economy; second, do not set macroregulation and control against a market economy. In the present strengthening of regulation and control, we should pay attention to two aspects: First, policies readjustment should accord with the law of a market economy; second, law should be sound. We are required to step up legislation and law enforcement to ensure the correct implementation of policies.

# The Central Links in Intensifying Reform Lie in the Transformation of the Enterprise Mechanism

Yang Peixin [2799 1014 2450] (research fellow of the State Council Development and Research Center): Initial success has been achieved since the CPC Central Committee and the State Council introduced measures for strengthening macroregulation and control. The foreign exchange swap price has dropped from one dollar:11 yuan to one dollar:8.8 yuan; town and country savings are increasing; the temperature in the stock and real estate markets is dropping; and the investment structure has been somewhat readjusted. But the exchange rate per dollar has gone up to eight or even nine yuan, imports are larger than exports, and price increases in coal, electricity, oil, railway freight, and rent are now causing price rises. It is necessary for us to further step up price

controls. After initial success has been achieved in temporary solution measures for curbing the tendency of price rises, permanent control measures for intensifying reform should be further taken.

Where lie the central links in intensifying reform? I think they still lie in the transformation of the mechanism of state-owned enterprises and in the change in government functions. Since the promulgation of the "Regulations" by the State Council, according to opinions from various quarters, of the 14 decisionmaking powers with which enterprises are vested as required by the regulations, the ones that are most difficult to implement are investment decisionmaking power, foreign trade decisionmaking power, and the power to refuse apportioning. Some localities and departments have introduced a number of regulations, yet some are but a mere scrap of paper. Basically there is no change in the situation in which one-third of state-owned enterprises are money losing overtly, and another one-third covertly.

At present, the reform of enterprise mechanism has bogged down, and it is again held back by the delay in the transformation of government functions, streamlined administration, and complementary reforms. It not only impedes the transformation of enterprise mechanisms and the improvement in enterprise economic performance, but also affects the reduction of financial expenditure. The transformation of functions of various government departments must be combined with streamlined administration and the removal of temples and gods. With the reform of enterprise mechanism as the center, it is also necessary to carry out complementary reforms in investment (planning), taxes, and monetary and foreign trade systems. We must not proceed from the interest and angle of departments to restrain the reform of enterprise mechanisms. We should learn from historical lessons and prudently take into consideration the specific measures for intensifying reform, including the reform of financial taxes, monetary, investment, and foreign trade systems. We should also solicit opinions from business circles, strive to be beneficial to the promotion of independent operations of enterprises and sole responsibility for their profits and losses, of their self-accumulation and self- development, and of further improvement in the vitality of state- owned enterprises, thereby achieving the goal of intensifying reform.

# Change From "Withdrawal Once Confusion Appears" to "Reform Once Confusion Appears"

Xiao Zhuoji [5135 3504 1015] (professor of the Economics Department of Beijing University): 1. We should look at a country's economic growth rate from a longer period of time. The annual average growth rate of China's gross national product [GNP] from 1987 to 1992 was 8.7 percent, lower than that of Japan's 10.2 percent from 1960 to 1980, and also lower than the growth rate of the Asian "four little dragons" during their economic take-off period. Judging from the situation after liberation, an economic cycle of about every six to seven years has taken shape in China, of which about three years are a

period of rapid growth, and three to fours years are of medium and low growth period. From the second half of 1991, China's economy has entered the rapid growth period of a new economic cycle, and it is therefore in conformity with the law that the growth rate is faster during these two years.

A rapid economic growth rate would bring about all kinds of problems and difficulties, but if it is low, or even no growth or negative growth, it would be unfavorable to the economy. Of course, in terms of the state's macroeconomic management, it is absolutely necessary to maintain a moderate degree of economic growth and coordinated development.

- 2. Since this year, the inflation rate has obviously gone up, but we should not "turn pale at the mere mention of inflation." We should make specific analysis of the present inflation: 1) Among the causes for the rise in inflation rate, price rises resulted from carrying out a market economy and the release of prices account for five percent, which is necessary and conducive to rationalizing the price relations of various commodities. As a result of government increase in business tax, prices have gone up by 2 percent, and the portion of spontaneous price rises occupies only 3.5 percent. 2) Despite price rises, the actual income level of the residents in towns and the country has increased after the deduction of price rises from their income, and their inflation bearing capacity has been greatly enhanced. 3) There is an ample commodities supply in the market at present, the inventory of many means of consumption has increased, the residents have multiple channels for consumption and investments, and the situation of rush purchases of commodities in 1988 would not appear.
- 3. In the course of transformation to the new system, it is unavoidable that a certain degree of confusion appears in the economic order. The measures taken in the past were "withdrawal once confusion appears," which inevitably created a vicious cycle. If we change from "withdrawal once confusion appears" to "reform once confusion appears," the situation would be completely different.

The transformation from the system of planned economy to the system of a market economy is a revolutionary and fundamental change. The present situation is that reform has been carried out in the system of planned economy, yet it still has important impact and continues to play its role in many spheres. The goal of reform is to build up a market economy system which has already played its role in many aspects of economic life, but it is very immature and unsound. Under such circumstances, it is hard to completely avoid a certain degree of confusion in concept, policies, system, and operational methods. The solution should be to quicken the pace of replacing planned economy by market economy. This is the fundamental way out.

### Intensifying Reform Requires a Favorable Environment

Zhang Zhuoyuan [1728 0587 0337] (director of the Finance and Trade Institute of the Chinese Academy of Social Sciences): Since the big confusion in monetary order that appeared in June this year, the central authorities have introduced a number of policies to strengthen macroregulation and control. I think the present macroeconomic regulation and control is somewhat different from the one in 1988 in two respects:

- 1. The main tune or main melody of the present regulation and control takes reform as the guiding idea. As is known to all, the confusion in monetary order that appeared in June this year was primarily caused by the delay in the reform of the economic system, in particular caused by the delay in the reform of the monetary system. Three economic system reforms are: First, introduce monetary system reform measures that run the people's bank in a way that makes it truly become the central bank; have its major functions stabilize the currency value, introducing measures that separate the functions of the banks of policy nature from those of specialized banks; and make the interest rates of commercial banks be mainly decided by the market. The central bank should not engage in banking business. Second, reform of the financial taxation system and the implementation of a separate tax system in a unified way. Third, reform of the investment system.
- 2. To further intensify reform, it is necessary to create a favorable economic and political environment. Therefore, we should avoid as far as possible drastic economic turbulence. To reform is for the purpose of development, and to develop it is necessary to have a stable economic environment. How to look at the present double-digit inflation is what we should seriously analyze. Judging from history, double-digit inflation is nothing to be afraid of. What we should fear is sustained inflation. Therefore, moderate control of the present inflation is extremely favorable to economic growth and social stability. On the other hand, to stabilize the exchange rate is also favorable to the stability of economic life and the image of the government; moreover, to put money into circulation to ease up the pressure of inflation also creates a favorable environment for reform in the future.

# Implementation of the "Regulations" Needs Warming Up

Zhou Xulian [0719 0647 5571] (director of the Industrial Economics Research Institute of the Chinese Academy of Social Sciences): The problem of too rapid growth in investment does exist, and an increase in investment of over 70 percent is obviously abnormal. It is timely for the central authorities to make a decision on strengthening macroregulation and control according to the present economic situation. To combine strengthening macroregulation and control with intensifying economic reform is the feature and advantage of the present macroregulation and control. This point is also explained by the fact that decisionmaking departments

both emphasize macroregulation and control and the transformation of enterprise operational mechanisms during this period of time.

Comrade Zhu Rongji said recently that it was necessary to continue grasping firmly the work of implementing the "Regulations." How do we really warm up the implementation of the "Regulations?" I think at least we should do good jobs in the following aspects:

First, continue implementing the power of operation by enterprises. According to investigations by various localities, of the 14 decisionmaking powers of operation laid down in the "Regulations," most are only basically carried out or partly carried out, and other powers are basically not carried out.

Second, we should have high requirements for carrying out the "Regulations." The "Regulations" also stipulate the responsibility of the director and staff and workers for enterprise profits and losses, and stipulate the tasks and responsibility of the government in the transformation of enterprise mechanisms. All these stipulations must be resolutely carried out too.

Third, solving the problem of enterprise property rights. As legal persons, state-owned enterprises must have property ownership, and the state is in control of final ownership. Only in this way will it be possible for state-owned enterprise to assume sole responsibility for their profits and losses, and will it be possible to ensure the power of operation by enterprises.

Fourth, quicken the pace of the transformation of government functions. The delay in the transformation of government functions is a major difficulty and obstacle in the transformation of enterprise operational mechanisms. To quicken the change in government functions is an important content and prerequisite for truly warming up the work of carrying out the "Regulations."

Fifth, enterprises should step up and improve operation and management. An investigation of Henan Province shows that only 0.5 percent of enterprises have a sound system of assets accounting, and 14.9 percent of enterprises have a sound profit and loss examination system. It is not an accurate point of view for some people to lay all the blame on the system.

# It Is Necessary To Analyze the Situation With the Point of View of a Market Economy

Qin Chijiang [4440 3069 3068] (director of the Monetary Research Institute of the People's Bank of China): 1. It is absolutely necessary to discuss whether we should look at prices and market with the point of view of planned economy or with that of a market economy. Under the planned economy, for prices and market, it seems that scheduled targets are achieved by the state through policies and the control over total volume. A market economy does not look at the situation of total volume; it looks at the fluctuation of prices, at how the trend develops, at interest rates, exchange rates, and the rate of

unemployment. Some of our current disputes are purely caused by the different angles from which we look at prices and market.

2. The analysis of macroeconomics and total volume is necessary, but it is delayed. Under the circumstances of a market economy, it is only a target for analysis, and not a target for control. From the point of view of banks, Western countries have control over credit and currency, but people mainly look at interest rates and exchange rates. We still judge by total volume whether credit and investment are large or not without looking at the changes in interest rates and exchange rates. We still look at the matter from the planned economy point of view.

Since last year, whether or not the investment structure is so rational as we expect, I think we should make specific investigations. We admit that many changes have now taken place in the motives, the subjects, and the objectives of investments. Some provinces and cities start understanding the importance of communications, energy, and telecommunications, but that does not mean all localities have put the stress of investments on these places. As to performance, it is not necessarily evident in the year investments are made. Therefore, whether the investment structure at present is rational or not, and has performance been improved, I do not yet have a clear judgment. It may be good news and bad news, fifty-fifty.

Credit was used in the past as a means to make up for the deficiency of state construction funds. Now the situation has changed to how to make use of credit to promote investment and economic development, and changed from passive control to positive control. How to judge whether the credit amount is large or small under such circumstances? From the perspective of a market economy, we should judge by whether the interest rate is high or low. But we cannot judge China's present interest rate by the nominal interest rate; for instance the interest rate among the people is very high.

I think it will not do to contract the present economy by the methods of the planned economy. The state should take flexible macroregulation and microregulation means, and change the annual planned regulation into timely regulation corresponding to the market.

# Macroregulation and Control Should Aim at Invigorating State-Owned Enterprises

Bai Mingben [4101 2494 2609] (Shoudu Steel Research and Development Center): How to judge the economic situation, there are many targets and aspects. We should make specific analysis, and in particular we should pay attention to the characteristics of the transformation of systems. According to our study, major price increases, excessive monetary issue, and too rapid growth of investments are brought about mainly by greater pace in reform and opening-up to meet with high-speed economic growth. Judging from total demand volume, it

appears to be somewhat large. Therefore, somewhat large is brought about by partial cause, which comes under a structural problem.

We should judge the economic situation of the reform period by major targets. First is GNP growth, which is the main staff gauge. Because growth is a tough target, and is the outcome of an interaction of multiple positive and negative factors, it indicates large increases in newly created wealth, and scores successes which are hard-won. Second is whether state-owned enterprises are going uphill or downhill, which is also a barometer for judging the situation. After the talk by Comrade Deng Xiaoping last year and the 14th CPC Congress, state-owned enterprises started coming out from the bottom valley with obvious improvement in performance. Profits increased by 100 percent, and profits and taxes increased by 50 percent from January to June this year, which indicates that the leading macroeconomic and microeconomic aspects are healthy and sound. It is necessary to maintain the continuity and stability of reform and development policies. Some outstanding problems caused by friction between high-speed growth and the system, so long as we find out accurately the "cause of disease" and suit the remedy to the case, will not be difficult to overcome. Measures for both a permanent and temporary cure are: First, dig out the running sore. Corruption and degeneration, seeking private gain at public expense, violation of the law and discipline, resort to deception, tax evasion, defraud and extort, and serious dereliction of duty should all be brought to justice. Second, squeeze out the moisture content. This fever or that fever, especially the "chief officials' projects," and ineffective projects in state-owned economy, should be strictly audited and supervised and made public. For those projects that have brought losses, we should investigate and find out the responsibility of the administrative leadership. Third, "infrastructure projects" lie in the transformation of government functions and in the change in enterprise mechanisms. The principles and criteria should be to allow the market and not power to play the basic role of resource allocation. The objects of macromanagement should not be human, financial, and material resources, and projects; we should guide and promote economic development by policies and the legal system.

# We Must Guard Against "One Cutting" in Carrying Out Policies

Xie Youqiao [6200 0642 0829] (senior economist of the Economic Relations and Trade Committee under the State Council [as published]): We are all concerned with the present economic situation, and we can say that we have again come to a critical moment. People in various fields feel in general that the present development situation is hard-won, and we must treasure it greatly.

Judging from the development situation this year, social demand is great, especially the investment demand. But I think the investment scale cannot be regarded as large. The crux lies in too many projects, too big a setup, and that the structure is not quite rational. Viewed from

consumption demand, there are a great differences between the rural areas and cities, and in cities it is mainly pushed by the purchasing power of social groups. Therefore, in decisionmaking, what we must consider seriously at present is whether we should control demand, slow down the speed, or pay more attention to structural readjustment.

Some of the problems cropping up at present are on the one hand caused by unstandardized government behavior and unsound macroregulation and control system in the course of system transformation. On the other hand, in changing the tracks of the economy, there appear multiple profit subjects, which lead to the phenomena of exchanging power for money, and corruption. We must deal with different problems in economic work in different ways. Violation of the law and discipline should be dealt with by strict administrative and legal means; problems in macroregulation and control and economic operations should be readjusted by economic levers. To deal with issues of system and mechanism, the key lies in intensifying reform.

What we should pay special attention to at present is that the introduction of various reform measures must be combined with the unbalanced situation of economic development in various localities, and we must guard against "one cutting." With strengthening enterprise vitality as the center, we should still stick to pushing them into the market. Regarding the reform of enterprise system, it involves the issue of property rights, but I personally believe the contract-based system remains a feasible way.

# State-Owned Enterprises Should Have the Position of "The Subjects of Market Competition"

Fong Baoxing [7458 1405 5281] (research fellow of the Jilin Provincial Economic Research Center): The present high-speed development of China's economy is essentially the high-speed development of the economy in the eastern part of China, and the high-speed development of nonstate-owned economy, especially township and town collective ownership economy. Such high-speed development has its objective economic conditions, and it is therefore normal taken as a whole.

The problems that exist at present are: The investment scale of fixed assets is somewhat large, and too much money is drawn by speculative spheres. These problems are related to the combination of power economy with unstandardized market and market defects. It is absolutely necessary for the State Council to introduce macroregulation and control measures to overcome these problems.

Now we all believe that we must intensify reform to solve the deep-level problems in economic development. I think it is necessary to pay attention to two points in intensifying reform. First, over quite a long period of time it is impossible to eliminate the unbalanced situation in China's economic development. As China is a big country vast in area and large in population, such an unbalanced situation in development stands out most sharply. This point is different from any other country in the world. Based on such characteristics, it is absolutely necessary for local governments to be endowed with corresponding power to solve the different problems with which they each are faced. Without enthusiasm and the initiatives of localities, it is impossible for China's economy to develop very rapidly.

Second, the 14th CPC Congress stipulates that enterprises are "the subjects of market competition," and are therefore also the subjects of investment in the competitive spheres. Now this subject position has already been implemented in nonstate-owned industrial enterprises, but are far from being implemented in state-owned industrial enterprises. The basic reason is that the current financial taxes system has taken over more than 85 percent of the net income of state-owned industrial enterprises. There are also drawbacks left over by the highly centralized planned financial system. Under such circumstances, state-owned industrial enterprises do not have the financial resources for self- accumulation and self-development. If they want to develop, they have to rely on the government to set up projects and approve loans. Without the financial resources for selfaccumulation, state-owned industrial enterprises actually do not have the power for expanded reproduction. Inevitably it is impossible for them to free themselves from the position of appendages, and likewise impossible for them to play their proper leading role in a socialist market economy. And thus a socialist market economy cannot be built up.

# To Create an Environment of Benign Circulation for Enterprises

- Li Zhongfan [2621 1813 0416] (research fellow of Structural Reform Commission of the PRC): What road of reform and development should we take depends on how we judge the economic situation.
- 1. How do we look at the situation this year?

I think the year 1993 is a year of high-speed economic growth and of change for the better in economic performance. The economy in the second half of this year will not deteriorate, and the price index throughout the year is estimated at about 11 percent. There are three foundations: 1) The margin of increase in social wealth is larger than that in the final consumption of social wealth. 2) Prices of 80 percent of the means of production and 90 percent of the means of livelihood have been released, and pricing reform is basically in position. In the second half of this year, there will not be large price rises caused by pricing reform. 3) It is a foregone conclusion that imports will be larger than exports this year, which is favorable to increases in total supply.

# 2. Prices and investments.

The cause for price rises, according to explanations by Western economists in general, is that total demand is larger than total supply, but in China the cause is not completely so. Now 60 percent of the price rises are caused by pricing reform, and not by total demand larger than total supply. Price rises this year are estimated at 11 to 12 percent, which is precisely the cost of pricing reform, and it is worthwhile.

The macroeconomic regulation and control we are now carrying out should not be negative contraction, but should rationalize various kinds of relations, and bring the economy onto the track of high accumulation, high growth, and high consumption. I do not agree with the point of view that price rises are brought about by high-speed economic growth and too rapid increases in investments. Increases in investments in these two years are of the nature of resumption. That we have now reversed the situation of reduced production and deteriorated performance is benefited by increases in investments.

- 3. The fundamental tasks of macroregulation and control.
- 1. Create an economic environment of benign circulation for enterprises and economic development. First, we should accomplish balance between total demand and total supply. Second, we should achieve benign circulation in production, distribution, exchange, and consumption. It will not do simply having total volume balance without a benign circulation.
- 2. Economic levers should be the primary means of control. We should attach importance to and believe in the role of economic levers.
- 3. It is necessary to do good job in scientific forecasting. Without scientific forecasting, we could not have correct macroregulation and control. For example, it was originally forecast for 1992 that the economy would increase by 6 percent, but actually it reached over 10 percent. The forecast was inaccurate. How to regulate and control? The inflation rate for this year was originally estimated at 6 percent, but actually it has reached 11 to 12 percent. Increase in business tax introduced this year was introduced under the circumstances of underestimation of price rises, which resulted in the aggravation of inflation.

# Economist Wu Jinglian Interviewed on Market Economy

HK0410142993 Beijing JIEFANGJUN BAO in Chinese 15 Sep 93 p 2

[By staff reporter Luo Xiaobing (5012 1420 0365): "Clarifying Misunderstandings on Market Economic Theory—Interview With Professor Wu Jinglian, Famous Economist and Research Fellow at Development Research Center Under the State Council"]

[Text] Recently, this reporter had an interview with Professor Wu Jinglian, well-known economist and research fellow of the Development Research Center under the State Council, who is currently under medical treatment, to ask for his advice on some questions concerning the study of the theory of socialist market economy.

[Luo Xiaobing] The 14th CPC National Congress set an objective of establishing a structure of the socialist market economy, which enjoys firm support from people throughout the country and the commanders and soldiers of the whole Army. While the roles of market mechanism are further expanding and the national economy is vigorously developing, some serious problems, such as financial disorder and the increasing pressure of inflation, have also appeared. To solve these problems, the party and state have worked out a policy decision on strengthening and improving macroeconomic regulation and control. Some comrades asked: Does this mean that the state's macroeconomic regulation and control ability has weakened because of the practice of the market economy?

[Wu Jinglian] According to some old textbooks of political economics, it seems that economic life in capitalist countries is entirely in anarchy without any social regulation and control and that only the socialist countries have the ability to carry out macroeconomic regulation and control and organize social production proportionately and in a planned way. This is not true. Macroeconomic regulation and control is a concept which emerged under the conditions of market economy. Under the condition of the planned economy, the state carries out management through unified planning, which is a kind of management from above down to the grass-roots level. There are not any differences between macroeconomic and microeconomic management. All kinds of modern economy are under macroeconomic regulation and control, because wherever the market does not work smoothly, the government has to carry out macroeconomic regulation and control. Macroeconomic regulation and control refers to the conscientious and purposeful application of financial, monetary, and other measures by the state or government to carry out regulation and control over the macroeconomic variables in society, such as the total money supply (or, to use a common expression, the total amount of paper money issued). In China, in order to establish a structure of the socialist market economy, the functions of the state's macroeconomic regulation and control cannot be abandoned either. Over the past year or so, the problem of excessive inflation has appeared in China's macroeconomic field. This is a result of the slow progress of reform of financial, tax, and other macroeconomic regulation systems, which has brought about financial disorder and the increasing pressure of inflation. As a matter of fact, some initial results have already been achieved over the past two months or so since the measures of the central authorities on strengthening and improving macroeconomic regulation and control were conscientiously implemented. For example, the trend of price increase has been controlled, foreign exchange rates have dropped, the temperature of some "hot fields," such as shares and real estates, has been lowered,

and the economic returns of industrial production have increased. All this has been received positively both at home and abroad.

[Luo] Will development of the market economy necessarily lead to inflation?

[Wu] No. The main cause for inflation (or the continuous increase of the general price level) is excessive money supply (or, to use a common expression, too much paper money has been issued). In reality, inflation does not occur in all countries practicing the market economy. Prior to the mid-1900's, the main expression of economic fluctuation was recession rather than inflation. After World War II, inflation became a regular problem of Britain, the United States, and other countries. This is because these countries adopted an expansive monetary policy to maintain economic prosperity. But Germany and Japan did not adopt such a policy. That is why inflation did not occur there. Since the 1980's, as Britain and the United States have adopted a monetarist policy, serious inflation, like what happened in the 1960's and 1970's has not occurred. Therefore, the market economy will not necessarily lead to inflation.

Over the past few years, inflation has appeared several times in China. This is because that in the course of changing the track of economy, under the condition of coexistence of both the old and new structures, the old structure is still playing an important role and the entire economic system still cannot operate effectively. We still cannot free ourselves from the old path of supporting growth rate by means of high input. Thus, in order to increase the growth rate, the input should also be increased. In addition, because of our inadequate natural resources and weak economic basis, under the condition of putting in large amounts of money without a corresponding material input, general demand becomes greater than general supply, resulting in the general increase of prices. In the past, under the condition of planned economy, as prices were controlled by planning, inflation was usually expressed in a hidden form, that is, superficially there was no price increase, but there were very few commodities in the market. But after practicing the market economy and decontrolling prices, when paper money is issued excessively, inflation in an open form will appear. To prevent inflation, the most fundamental measures are: First, to establish a market mechanism as soon as possible so that the economic efficiency as a whole can be increased; second, to improve the macroeconomic regulation and control system and exercise effective management of money.

[Luo] Can we say that financial disorder is a result of developing the market economy?

[Wu] In fact, this is the same as the question of inflation. In the past, as the microeconomic matters were under the direct control of the planned economy, what enterprises were going to produce, how they should produce their products, and where their products should go were all determined by planning. Money only played the

negative and passive role of counting and banks were only tellers of the government and were playing very little roles in resource allocation. Under such conditions, financial disorder could hardly occur. But under the condition of the market economy, money is playing a role of guiding resource circulation. Monetary affairs are playing great roles. If we do not have a very good monetary system, financial disorder may easily emerge. An obvious reason for the recent financial disorder in China is the insufficient strength in reform of the tax and financial systems. Especially because of the long-term coexistence of the double-track system, the overall functions of the market economy cannot be brought into play. This has resulted in confusion in resource allocation functions. To put it concretely, the reason for the over-issuance of paper money in recent period is that our tax and monetary systems, which are still preserving many characteristics of the old systems, cannot effectively carry out macroeconomic regulation and control. On the other hand, some problems have emerged because of deviation from the objective of reform of the market economy. For example, some financial organs have directly engaged in profit-making activities and made it difficult to maintain a stable currency. Moreover, corruption can easily take place.

[Luo] Some people believe that the emergence of certain phenomena of corruption were an inevitable result of developing the market economy. What is your opinion on this?

[Wu] Corruption means to exchange public power for personal material benefits. So long as selfishness and the desire for material benefits exist, some people would naturally make use of their power to seek private gain. For a small number of people, corruption is hard to avoid. Moreover, as the market economy is a monetized economy, it will certainly make some people's desire for unlimited material benefits swell viciously. However, whether their greedy desire can be realized, in other words, whether power can be exchanged for money, is still restricted by the economic structure. The key to eliminating corruption lies in intensifying reform and speeding up transition toward a structure of the market economy. A basic order and basic rule of the market is fair competition. But the practices of corruption, such as "taking advantage of power to seek private gain," are running counter to this principle. The market economy is also an orderly economy. According to its rules, government workers can only be "referees," who cannot go to the sports ground to join the competition with other "athletes." Therefore, a perfect market economy can only bring about greater restrictions to the activity of taking advantage of power to seek private gain rather than encouraging corruption.

Generally speaking, in the initial stage of the market economy, the phenomena of corruption may easily appear. This is because, first, the market has not been developing healthily and the market regulations have not yet been established, and second, there are too many administrative interferences by the old structure, which

provide "loopholes" for some officials to "take advantage of their power for private gain." At present, the phenomena of corruption are spreading in some localities and units. An important reason is that the administrative force of the old structure is still controlling and interfering in economic activities and relations between people are not handled appropriately in accordance with the principle of fair competition. Instead, the old methods, such as administrative examination and approval and the officials making the "final decisions," are still in effect. For example, matters such as the allocation and transfer of low-priced materials, the supply of low-interest loans, and the rent of low-price land are still decided by administrative power. All this has provided people who have the administrative power or who are able to approach such power with an opportunity to engage in malpractices for selfish ends. From this we can see that the phenomenon of corruption in society is not an inevitable outcome of the market economy. Rather, it is an outcome of "bartering with power" and exchanging power for money. It is not a result of the market-oriented reform, but a result of the imperfection of reform. It is a result of the fact that an order of fair competition has not yet been established in the stage when control over the market has just been relaxed. Therefore, the fundamental method for combating corruption is to accelerate the pace of reform, thoroughly remove the soil for the emergence of corruption, and enable the market to develop and become mature as soon as possible so that everyone can do things well in accordance with the market regulations. If we have done so, even if one or two persons continue to commit corruption, it will be easier to handle their cases, that is, to punish them according to law.

[Luo] Will the development of the market economy result in the dropping of social ethical standards?

[Wu] Under certain conditions, monetization of the economy will have a negative effect of money worship on some people. For this reason, it is necessary to strengthen the building of spiritual civilization in society while strengthening the building of material civilization. Social ethics is stressed by all societies and is under the guidance of the ruling ideology. This is because, apart from material benefits, people are also pursuing other things. The question is: How do we guide and encourage people to pursue more lofty things under the condition of developing the market economy? First, the development of the socialist market economy is aimed at establishing an economic structure, which encourages people who work hard, carry out effective management, and make contributions to society with material benefits and punishes those who love ease and hate work, profit by other people's toil, or even take bribes and bend the law. Second, it is necessary to establish good social ethical standards, such as carrying out fair competition, faithfully carrying out contracts, and achieving common prosperity, rather than encouraging and tolerating the practices of putting profit-making first and each trying to cheat or outwit the other, which will destroy all standards of social ethics. We must learn from the developed

Western countries, we must lay the stress on study of the common wealth of mankind, such as the basic standards of modern social life, the common practice in developing the market economy, and modern science and technology, and must never abandon our efforts in pursuing the fair socialist value and moral concepts. Moreover, the social ethical standards of some countries with a faster development of the market economy, such as Singapore, are also higher. The people there do not believe in the idea of "everyone for himself and the devil take the hindmost." We must learn from all this.

[Luo] What you have just said helped remove many misunderstandings on the theory of market economy. But how did such misunderstandings emerge in the theoretical field?

[Wu] In my opinion, there were two reasons for the emergence of the misunderstandings: First, being restricted by the doctrines of traditional political economics, some people have put unreal labels on the market economy. It seems that the market economy has been hideous since it was created. Second, some people, who appear to be enthusiastic in supporting the market economy, do not really understand it. They have willfully added certain natures to it, which originally did not belong to the market economy. In the previous period, some of our newspapers and magazines were even giving wide publicity to the so-called "high pay," "high expense," and "high consumption," which astonished the media of many rich capitalist countries. Looking at the market economy in such an oversimplified way has created a false impression, as if the more reform, opening up, and the market economy are developed, the more problems will emerge in various social fields. Then this false idea spread among some people, who do not know the theory of market economy, and became increasingly distorted.

Some other people have tried to protect their vested interests and have taken advantage of the "loopholes" in the imperfect market mechanism and while government administration and enterprise management are not completely separated to seek more benefits for themselves. For this reason, they have made distorted explanations on market-oriented reform. It is true that the market economy is not a perfect system. But being an effective form for the allocation of resources, it has been proved by practice to be an efficient system, which is able to provide a sound material basis for achieving the socialist ideal of common prosperity. We must study and fully understand the theory of socialist market economy. Only when we have laid a solid theoretical foundation can we remove all kinds of dust and dirt from the face of market economy and ensure a healthy and smooth growth of the socialist market economy in our country.

# Zhejiang's Economic Ties With Shanghai Viewed HK0510113993 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 16 Sep 93 p 2

["Notes on a Trip Along the Chang Jiang" column by staff reporter Zhang Pingli (1728 1627 0500): "Linkup of Economic Tracks' As Viewed From Zhejiang Province"] [Text]

I.

Zhejiang and Shanghai had inseparable "close relations" in history. In a certain period in the latter half of the 20th century, however, these rich and varied ties were not as close as before. In the framework of the "planned economy," Zhejiang and Shanghai embarked on the same path, but failed to understand their "close relationship," only either side feeling a lack of something.

In more than a decade since we introduced reform and the opening up policy, Zhejiang has made outstanding achievements in economic development. The province's GNP stood at only 18 billion yuan in 1980 and has increased to 119.4 billion yuan now. The average annual growth rate was 12.1 percent, ranking second in the country. The province's GNP has now risen to sixth place in the country, from 14th place in 1980. During the Seventh Five-Year Plan, Zhejiang boosted energy, raw and semi-finished materials, and many other basic industries, and built up a great number of infrastructural facilities. An additional 2.37 million kw of electricity was generated, a new quality highway 5,000 km long opened to traffic, a number of new ports capable of handling 35 million tonnes of cargo was built in Ningbo, four new airports are operating 30 domestic routes, and telephone service in cities at the county level and above across the province are automated.

In the last few years, Zhejiang has opened 34 counties and cities to the outside world, increased its export items from 500 to 2,000, (bringing its total export volume to the seventh place in the country), established economic relations with 140 countries and regions in the world, introduced \$10 billion in foreign funds, and set up 6,000 foreign-funded enterprises. Such robust economic growth gave Zhejiang people an impetus to carry out an ambitious economic development plan in a wider field and made them feel more keenly that they lacked something precious. But what did they lack? In 1990, the state made a major strategic decision to open and develop the New Pudong District in Shanghai. The Shanghai authorities seized on the opportunity to attract investment from all sides and took immediate action to build a large market, a large port, a large transport and communications network, a large enterprise group, and a large service network, showing its boldness of vision as the "dragon head." This prompted Zhejiang people to profoundly realize that what they lacked was exactly their favorable "vicinity" to Shanghai, an advantage they had enjoyed in history, and their historical ties, which were hard to cut off, with Shanghai.

The year 1991 was unusual for the Chinese people, including Zhejiang people. In this year, Comrade Deng Xiaoping gave important speeches during his south China tour, the 14th CPC National Congress was held, the nation-wide reform, opening up, and economic construction surged wave upon wave, and the CPC Central Committee and the State Council jointly called a timely

"conference on opening and developing the Chang Jiang delta and the areas along the river." Representatives from Zhejiang, as the south wing of Shanghai, were able to discuss their ideas with other participants, making it possible for the plan to "link up Zhejiang's economic track with those in the Pudong District and the areas along the Chang Jiang" to take shape.

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The "economic track linkup" plan represented a breakthrough in Zhejiang's strategy for economic development. Zhejiang people considered themselves too narrow-minded if they confined themselves to Zhejiang in developing the local economy. Now that they looked beyond Zhejiang, they found a wider field to display their abilities. Shanghai now enjoyed many advantages brought about by the policy to open and develop the Pudong District, its increasingly powerful capacity of diffusing urban economy to the hinterland, quicker formation of a market economy and quicker flow of essential economic factors, industrial restructuring, and updating and upgrading of products. All these advantages are "readily available to Zhejiang." If Zhejiang can take advantage of these favorable conditions, linking up Zhejiang's economic track with Shanghai's, it will obtain a powerful motive force for elevating its economy to a new stage.

Since last year, Zhejiang has readjusted its economic plan in line with the concept of the "economic track linkup," taking more daring and wiser measures. They aimed at joining Shanghai in opening and developing the Pudong District in accordance with the principle of "taking the initiative in playing a supportive role, cooperation in all fields, supplementing each other's advantages, and common development" and put forward the plan of "allowing three cities to advance ahead of other areas giving top priority to the key city, relying on ports, expanding two lines, promoting ladder- shaped economic expansion, and carrying out the opening policy in an all-around way" in a bid to create a pattern under which Zhejiang would work in concert with the Pudong District. "Allowing three cities to advance ahead of other areas" means allowing Hangzhou, an international tourist city, and Ningbo and Wenzhou, which are coastal open cities, to take a lead in economic development while making concentrated efforts to develop Ningbo into a big international transfer port of China's, an important trade port in east China, and a source of energy and raw and semi-finished materials. "Expanding two lines" means stepping up the opening and development of areas along the Shanghai-Hangzhou-Ningbo highway, including Hangzhou, Jiaxing, Huzhou, Ningbo, Shaoxing, and Zhoushan. Zhejiang people discovered that these areas, which are in close proximity to Shanghai and have sound economic bases, were fully qualified to link up their economic tracks with that in the Pudong District before other areas in the province. To carry through the above economic plan, Zhejiang gave priority to construction of infrastructural facilities and development of industries, including hi-tech and tertiary

industries, in these areas and emphasized the necessity to give play to local advantages in natural and economic resources and to maintain the "disparity" in industrial structure between Zhejiang on the one side and the Pudong District and the areas along the Chang Jiang on the other. They believed "only by maintaining the disparity, can the mutual complement between different regions be strengthened." In my view, this is a wise idea.

III.

Since the Zhejiang authorities decided to plan local economic development in connection with the opening and development of the Pudong District and the areas along the Chang Jiang, they made every effort to develop the fields and industries that would affect economic development in the areas along the Chang Jiang, or that would play the most important role in operating in concert with the Pudong District. To develop an exportled economy, Zhejiang needed a big deep water port. The Beilun Port in Ningbo was considered the most ideal place for building a deep water port, which would serve as a big international transfer port, because it is in the center of China's fan-shaped coastal open area, borders Shanghai and the mouth of the Chang Jiang, has a long coastline, and is both ice-free and not silted up. The Zhejiang authorities believed that if they could keep a firm tab on the project of building the Beilun Port into a big port to enable Ningbo to lead the way in provincewide economic development, they would have a major, easy, and convenient link connecting Zhejiang's economy with those in the Pudong District and the areas along the Chang Jiang. Over the last few years, the Zhejiang authorities, in line with the state's strategy for Ningbo, made Ningbo a key investment area in the province, introducing liberal policies and providing various guarantees. More than 50 berths have been built, including 22 ports capable of handling 150,000 tonnes of crude oil, 100,000 tonnes of minerals, and 50,000 tonnes of containers. The Ningbo Port now has a total handling capacity of 50 million tonnes, ranking among the biggest ports of the country. On top of that, the initial form of a land-water-air transportation network with the Ningbo Port as the center has been set up. The Lishe International Airport in Ningbo is operating 18 internal and external routes.

To meet the needs of opening and developing the Pudong District in Shanghai and the areas along the Chang Jiang, as well as the needs of developing an export-led economy, Zhejiang is now carrying out a more ambitious economic development plan in Ningbo. A "big port of the east" worthy of the name will emerge here soon. It was for this reason that 20 consortia in a dozen foreign countries and overseas regions expressed willingness to take part in joint development of port transportation in the areas along the Beilun Port. This represented another favorable opportunity and the provincial and Ningbo authorities are making every effort to make use of this opportunity.

The "economic track linkup" idea greatly broadened Zhejiang people's mental horizons. A more profound understanding the Zhejiang Provincial Government has arrived at is: The key to establishing comprehensive economic relations between Zhejiang on the one hand and the Pudong District and the areas along the Chang Jiang on the other lies in promoting economic reforms to effect a market economic track link-up. The Pudong District's efforts to build up a big market reminded Zhejiang of taking a corresponding action. Accordingly, the Zhejiang Government decided to carry out the following work plans this year: Reforming management of more than 50 percent of large and medium stateowned enterprises across the province as required by joint-stock or quasi joint-stock enterprises; allowing 25 percent of state-owned enterprises throughout the province to "graft" [jia jie 1268 2234] upon foreign funds; nurturing a provincial market for essential factors of production; reforming the social security system; and carrying out administrative restructuring to change government functions. The provincial government will keep a unyielding grip on these work plans because it looks upon these plans as essential links for guiding and promoting Zhejiang's economic development. Many brand new economic phenomena inspired Zhejiang people: When the economies of the Pudong District and the areas along the Chang Jiang make headway, Zhejiang's economy will certainly follow suit. A positive conclusion Zhejiang people have come to is: The quicker the market economy is set up and developed, the stronger the momentum of integration of Zhejiang's economy and the economies of the Pudong District and the areas along the Chang Jiang. Whoever makes greater achievements in setting up the market economy will have more economic resources at his disposal and have more opportunities for development. To sum up: If you can borrow the wind on the Chang Jiang, which blows tens of thousands of li, you can raise surging waves in Zhejiang's rivers. This is what the "economic track linkup" means. Zhejiang people must not lag behind others.

# Chang Jiang Delta Attracts Overseas Investment

OW0510081893 Beijing XINHUA in English 0646 GMT 5 Oct 93

[Text] Hangzhou, October 5 (XINHUA)—The Chang Jiang River Delta, China's most industrially developed area, is attracting more and more foreign investment thanks to its constantly improving investment conditions.

The delta covers Shanghai, China's leading industrial center, seven cities in Jiangsu Province and six cities in Zhejiang Province, and their combined gross local product and the income from exports account for one fifth of the country's total.

According to statistics, Shanghai, Jiangsu and Zhejiang have approved the establishment of 10,200 foreign-funded enterprises involving a contractual foreign

investment totalling eight billion U.S. dollars so far this year, an increase of three to four times for the same period of last year.

Zhejiang Province alone had set up 2,327 overseasfunded businesses by the end of July this year, 11 times the figure for the same period of last year.

To date, the delta has approved a total of 25,000 joint ventures, co-operative enterprises and solely foreign-funded firms with a combined investment of 30 billion U.S. dollars on contract, accounting for one fourth of the country's total.

Experts attribute the success to its geographical location and, especially, its favorable investment conditions.

Local governments in this area have invested huge amounts of funds in the construction of transportation, posts and telecommunications and other public facilities as well as power plants in order to better serve local economic development.

Since the early 1980s Shanghai has spent 35 billion yuan improving its infrastructure, including building an international airport and railway in the city's Pudong New Area, as well as two cable-stayed highway bridges.

In addition, Shanghai's telephone exchange capacity has been enhanced sevenfold over past few years and the number of taxis has increased by 25 times.

Jiangsu, China's leading industrial province, is building an expressway to link its capital of Nanjing with Shanghai, and a trans-Chang Jiang bridge at Jiangyin city.

Meanwhile, projects for building or improving ports and power plants are well under way in Jiangsu.

Zhejiang Province has put about 10 billion yuan into infrastructure construction.

As a result, the two modern port cities of Ningbo and Zhoushan cities have taken shape; the Qinshan Nuclear Power Plant, China's first, has gone into operation; and construction of an expressway is proceeding well across the province.

According to economic experts, the improved investment conditions have enhanced overseas businessmen's confidence in investing in the Chang Jiang River delta.

A survey report shows that over 60 percent of the joint ventures in the delta have begun to make profits.

Furthermore, a number of well known international consortia and companies have set foot in the delta this year.

"It is a foreign investment surge the like of which we have never seen before," a local official in charge of the delta construction said.

# First B Stocks for Hotels Issued in Shanghai

OW0510164093 Beijing XINHUA in English 1431 GMT 5 Oct 93

[Text] Shanghai, October 5 (XINHUA)—China's leading industrial city issued B stocks, which can be sold to foreign investors, in a new hotel here today.

The B stocks worth 90 million yuan were signed today and issued by Shanghai New Jin Jiang Tower Corp.

The Shanghai Haitong Securities Company holds exclusive selling rights for the whole stock issue, while sales agents are distributed as far as Hong Kong, Singapore and the Republic of Korea. Included are Jardine Fleming and Morgan Grenfell Asia (HK) Ltd.

According to the general manager of Haitong Securities Company, the B stocks on sale so far amount to 297 million yuan. Each share has a nominal value of one yuan but is sold at 3.3 yuan (0.3798 U.S. dollars).

He said that the 43-storey Jin Jiang Tower, the only five-star hotel in China completely run domestically, has received heads of state and government leaders from countries all over the world since it was put into operation.

The funds raised by issuing B stocks will mainly be used to build a new five-star hotel in the Pudong Development Zone and to maintain and repair the newly-built multifunctional business center in Shanghai.

# Power Industry Plans To Seek Foreign Investment

HK0610104693 Beijing CHINA DAILY in English 6 Oct 93 p 1

[By staff reporter Chang Weimin: "\$25b From Abroad To Build Big Power Base"]

[Text] The power industry hopes to gain as much as \$25 billion in foreign investment in the next eight years, a government official said yesterday.

China is expected to become the world's fastest-growing power consumer and market for electric generators, the official from the Power Industry Ministry told China Daily.

Despite the country's 1.15 billion population it has a generating capacity of only 180 million kilowatts.

However, a strong power industry is needed to sustain annual economic growth of 8 to 9 per cent, the official said.

The division chief, who asked not to be named, revealed that nine huge foreign-funded projects have been approved and another five submitted to the central government for endorsement.

And talks on joint ventures are underway in nearly all China's 30 provinces, autonomous regions and municipalities, he said.

In addition, an overseas-funded power station, with a capacity of 700,000 kilowatts, has been built in Guangdong Province.

More than \$8.2 billion from abroad is expected for the 14 proposed power projects, one of which is solely foreign-owned.

The cash is coming from private sources in places like Britain, the United States, Indone ia and Hong Kong.

The 14 power stations are to have a total capacity of 20 million kilowatts and the generators to produce 85 per cent of it are likely to be imported.

Three of the approved projects, involving some \$1.34 billion in foreign cash, are being built and will generate 3.28 million kilowatts.

The other six which have received the go-ahead will have a capacity of 9.28 million kilowatts and need \$4 billion from abroad. The five now being considered by the State Planning Commission will cost \$3 billion from overseas and have a total capacity of 7.14 million kilowatts.

Foreign investment is urgently needed to help China achieve its goal of producing goal of another 130 million kilowatts of power by the year 2000.

"We welcome foreign business people to start joint ventures or solely-owned projects," the official said.

He said overseas-funded power projects would receive clearance to take profits in foreign currency.

And more preferential policies are expected to come from the central government, he added.

However, the official noted that foreign investors should be prepared to share risks such as ups and downs of foreign exchange rates, with their Chinese partners.

The foreigners involved in the approved power stations are to invest, run the project with Chinese partners for 20 years then turn their shares over to the Chinese.

By the end of 1992, China had signed \$11.9 billion worth of contracts with international banks and foreign governments, enterprises and individuals for its power industry.

# Jiang, Li Peng Inscribe for Petroleum University

SK0610035693 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 5 Oct 93

[Text] A few days ago, Jiang Zemin, general secretary of the CPC Central Committee, and Li Peng, premier of the State Council, respectively wrote inscriptions for Petroleum University on the occasion of the 40th anniversary of the founding of the university.

Jiang Zemin's inscription reads: "Run Petroleum University well and train excellent talent."

Li Peng's inscription reads: "Train Qualified Talents for the Development of the Petroleum Industry."

Over the past 40 years since the founding of Petroleum University, 30,000 students have graduated from this university. Most of them have become key technicians and key leaders on the petroleum and petrochemical industrial fronts. Now, the university has developed from a university of engineering in the initial stage of its founding to a key university with several branches of learning in the country.

The meeting to mark the 40th anniversary of the founding of the university that was held on 5 October also read the inscriptions written by Jiang Chunyun, secretary of the Shandong Provincial CPC Committee, and Zhao Zhihao, governor of the provincial government

Jiang Chunyun's inscription reads: "Cultivate talent for the development of the petroleum industry."

Zhao Zhihao's inscription reads: "Send students everywhere and create a great petroleum cause."

# Beijing Promotes 'Modern Agriculture'

OW0610071993 Beijing XINHUA in English 0643 GMT 6 Oct 93

[Text] Beijing, October 6 (XINHUA)—In the 15 years since China adopted the policy of reform, its agriculture has experienced a rapid and dramatic development. Now, it is set to develop into a modern form of agriculture with higher returns.

The all-round implementation of the responsibility system which links output to production, a key reform measure taken in the countryside, has greatly mobilized the enthusiasm of Chinese farmers.

This has resulted in good harvests of grain, cotton, vegetables and other crops for years running. In 1984 the national average per capita grain amount set a record high of over 400 kg. In addition, rural industries have progressed particularly rapidly, with the annual growth rate in the coastal areas surpassing 50 percent.

As a result, the living standards of Chinese farmers have improved greatly.

However, limited natural resources and arable land compared with a large rural population of 800 million still hamper a sustained development of agriculture in China.

So, the central authorities have in the past few years made greater efforts to promote the development of a modern agriculture. To do so, they have taken gradual steps to readjust the agricultural structure by developing diversified production of melons, fruits, vegetables, flowers and aquatic products and their side-line products. At the same time they have maintained the growth in grain production, promoted development and application of agricultural technology, and made great efforts to develop animal husbandry, export-oriented production and rural industries.

In Guangdong Province, south China, local farmers have achieved remarkable progress in developing diversified agriculture. Now, some 70 percent of their agricultural products are targeted for the market, not for self-consumption. However, in the Pearl River delta, the most economically developed area in Guangdong, and the coastal areas and outskirts of major cities, more than 90 percent of agricultural products are destined for the market.

Also in Guangdong, local farmers can export one third of their products.

# **East Region**

# Anhui's Zhang Runxia on Private Businesses

OW0610065293 Beijing XINHUA in English 0620 GMT 6 Oct 93

["Roundup": "Private Business Growing Fast in Anhui"]

[Text] Hefei, October 6 (XINHUA)—Private business is growing fast in east China's Anhui Province.

Zhang Runxia, deputy governor of the province, said, "as an economically backward province, we are trying to find a way forward by encouraging the development of private businesses, which also play an important role in the establishment of a market economy."

According to Zhang, the provincial government has softened the terms on the scope of services and operating procedures of private businesses, which enjoy the same opportunities as state-owned enterprises in obtaining loans. More preferential policies are being issued for the private economic zones in Wuhu, an open port city on the Chian Jiang river, and Hefei, capital of the province.

According to statistics, the total output value of private business hit 2.4 billion yuan in the first eight months of this year, exceeding the total of last year.

Some 1.26 million workers were employed in 80,000 private industrial and commercial businesses by the end of August this year. Among them are people from various backgrounds such as professors, scientists, resigned officials, unemployed workers, and surplus laborers from rural areas.

Private business is also expanding from the traditional commercial dealings to new services such as information, technology and education.

Zhang noted that the growth of the private economy helps absorb the surplus labor in rural areas.

The province had 451,000 individual commercial and industrial households with 774,000 employees in the rural areas last year, both figures accounting for some 65 percent of the provincial total.

He said that the provincial government plans to increase the number of the individual households by 10 percent, and private enterprises by 35 percent.

However, Zhang said, the private households and enterprises are still heavily burdened with excessive charges.

He disclosed that a "burden card" will be issued to the individual and private enterprises, protecting them from extra burdens.

The Private Business Association, a bridge between the administration and private entities, has been set up in Anhui, with affiliates in all cities and counties.

They help private businessmen out of various troubles and offer management advice and training, Zhang said.

# Jiangsu Secretary on Combating Corruption

OW0210000993 Nanjing XINHUA RIBAO in Chinese 3 Sep 93 p 1

["Implement the Anticorruption Drive in a Firm and Down-to-Earth Manner, Ensure the Smooth Progress of Reform and Opening up"—XINHUA RIBAO headline]

[Text] A provincial party committee work conference and the seventh plenary meeting of the provincial discipline inspection commission were held simultaneously in Nanjing on 2 September. The main items on the work conference agenda were to implement thoroughly instructions of the CPC Central Committee and State Council on economic work, relay Comrade Jiang Zemin's important speech made at the Second Plenary Session of the CPC Central Committee Discipline Inspection Commission, work out measures to tackle salient problems and contradictions in economic work, and draw up plans for implementing the anticorruption struggle. The focus of the provincial discipline inspection commission meeting was to study and implement suggestions and specific steps for implementing the anticorruption struggle in the near future set forth by the second plenary session of the CPC Central Committee Discipline Inspection Commission.

Yesterday morning, Shen Daren, secretary of the provincial CPC committee, delivered an important speech on deepening the anticorruption struggle. Chen Huanyou, deputy secretary and governor, presided over the meeting. Cao Keming, deputy secretary of the provincial party committee and discipline inspection commission, relayed the guidelines of the Central Discipline Inspection Commission session.

Shen Daren pointed out in his speech: Comrade Jiang Zemin's important speech at the Central Discipline Inspection Commission session is an in-depth elaboration on the anticorruption struggle's importance. The speech, which was delivered with a definite objective in mind, offers an accurate analysis of the ongoing anticorruption struggle and spells out in explicit terms the importance of this struggle and the principles we should follow. It represents an all-out mobilization and a comprehensive plan for carrying out the anticorruption struggle in the near future and it fully demonstrates our party's confidence and resolve for improving party style and building a clean government under the conditions of developing a socialist market economy. It is a very timely and important speech that meets the aspirations of the party and the people. The speech is of great significance for us to actively, comprehensively, and accurately implement the guidelines of Comrade Deng Xiaoping's important talks and the 14th CPC National Congress, and to carry out the measures announced by the CPC Central Committee and State Council for strengthening and improving macroeconomic regulation

and control, for consolidating and developing economic construction and the excellent situation of reform and opening up, and for safeguarding the political situation of stability and unity. We are solidly behind this major policy decision of the CPC Central Committee and will, in line with the central authorities' plan and taking into account the province's actual conditions, carry out this anticorruption struggle in a down-to-earth and effective manner.

Shen Daren said: We must seek truth from facts while assessing the current anticorruption situation, correctly understand and handle the relationship between anticorruption and economic construction and reform and opening up, and enhance our confidence in the anticorruption struggle. He pointed out: We must notice that our party's line is correct, the party's mainstream is good, the majority of party members and cadres are honest in carrying out their official duties, and results have also been achieved in our anticorruption struggle. Judging from our province's situation over the past few years, party committees and governments at all levels have done much work in improving party style and administrative ethics. We have widely carried out education on observing law and discipline and on establishing a clean and hard-working government, have dealt with a number of law and discipline violations, handled special cases, and rectified discipline cases, thus succeeding in curbing some irregular corrupt practices to a certain extent, and strengthening the building of honest government. At the same time, we must soberly notice that many problems continue to exist in our efforts to build party style and an honest government. Such irregularities and corrupt phenomena as seeking personal gain by abusing power, taking bribes and bending laws, soliciting illicit money, squandering money, engaging in smuggling and trading smuggled goods, making sightseeing trips overseas with public funds, serious bureaucratism, malfeasance and dereliction of duty, and other corrupt and depraved practices actually exist in some localities, departments, and units. Shen Daren pointed out: Corrupt phenomena are viruses that have infiltrated the healthy bodies of the state and the party. Although they happen to a handful of units and individuals, they are highly destructive and corrosive as they not only directly affect the smooth process of reform, opening, and the modernization drive, but also seriously impair the party's image and prestige. If left unchecked, they will ruin our party, our political power, and our socialist modernization construction. In this respect, we must not take this lightly. The broad masses of party members and cadres, especially leading cadres throughout the province, must study again Comrade Deng Xiaoping's important anticorruption exposition and earnestly study the important speeches made by Comrade Jiang Zemin and the guidelines of the Second Plenary Session of the Central Discipline Inspection Commission, so that, with these ideological weapons for anticorruption struggle, we can deal with certain specific ideological problems and heighten our sense of urgency, responsibility, and selfconsciousness.

Shen Daren stressed: In our current struggle against corruption, we must pay attention to three aspects in our work as the central authorities have instructed. First, leading cadres at all levels should begin with themselves and take the initiative to do their work honestly and should exercise self-discipline. Leading cadres at all levels must strictly follow the demand of the Central Committee and the provincial party committee that leading cadres at and above county and departmental levels must do their work honestly and exercise selfdiscipline. They must take the lead in rectifying and curbing unhealthy practices, struggle against corrupt phenomena, and voluntarily accept the masses' supervision. As for provincial authorities, members of the provincial party committee standing committee and deputy and higher-ranking provincial cadres must take the lead; and responsible comrades of various departments and bureaus in various cities, counties, and organs must also take the initiative to examine their own performance and correct their own misdeeds, and act absolutely in accordance with the demands made by the central and provincial party committees. The provincial party committee will organize an inspection group in mid-December to examine the extent of implementation in various organs in cities and some counties and districts, as well as at the provincial level. As for those who defy government orders and prohibitions and those who fail to mend their ways when they are aware of their faults, they will be dealt with severely. Second, we should concentrate on investigating and prosecuting some major cases to vigorously crack down on corrupt elements. We should focus on serious offenses involving abuse of power and the bending of laws for personal gain; bribery and embezzlement; blackmail and extortion; smuggling and dealing in contraband; abetting and shielding the manufacturing of fake or shoddy goods; squandering people's wealth; moral degeneration; and dereliction of duty by functionaries of party and government departments, leading officials, judicial departments, and economic administrative departments. In investigating cases, we must be serious and dare to tackle tough problems. No matter where the offense takes place, no matter what department it is and at what level, or how high the cadres involved are, we must thoroughly investigate and seriously prosecute the cases. We must end the lax and loose law enforcement. Third, we must continue focusing our attention on attacking corruption and truly end those irregularities about which the masses have bitterly complained. In the near future, we will focus on such problems as collection of unwarranted fees, using public funds to visit other countries or for tours abroad, and party and government organs engaging in business; we must see to it that our efforts will yield tangible results. All departments and units must adopt their own specific programs and implement specific measures to firmly end salient irregularities involving abuse of power or position for private gain by party and government departments or their functionaries. For example, agricultural departments should continues their efforts to lighten the burdens of peasants and clear up public funds in arrears; railway departments should

continue cracking down on the illegal selling of train tickets; banking and financial departments should rectify discipline around the "three rules"; and lawenforcement and supervision departments must end the bending of laws for the benefit of relatives or friends and refrain from substituting imprisonment for criminal offenses with lighter punishment. Posts and telecommunications departments must check abuses in telephone installation services, and electricity departments must refrain from using their power for private gain. All departments and units must conduct an earnest review to see if there are functionaries who demand bribes and ask for payments for their services. If necessary, they should work out measures to rectify the situation. While carrying out the above-mentioned tasks, we should set a long- term plan for stepping up ideological education and strengthening the institutions. Party organizations at all levels should conduct anticorruption education on a regular basis to instill among the vast ranks of party members and cadres the ideas of serving the people wholeheartedly, abiding by the law and discipline, working hard, living plain, and performing one's duties honestly. We should teach them to conscientiously resist such decadent ideas as money worshipping, feathering one's nest at public expense, and benefitting at the expense of others so that they can erect, in their heads and minds, a line of defense against corruption. We should conduct an in-depth study from the angles of structure, institutions, and policy to find out the causes of corruption so that we will know how to amplify and improve relevant laws and regulations. We should institute and improve a system of supervision; that is, a system of exercising supervision from the top down as well as the other way around that involves people within and outside the party. We should continue to make public the procedures and outcome of government administration and accept supervision from the masses; we should bring into full play supervision within the party, supervision by competent departments, democratic supervision, and supervision by the masses and public opinion. It is particularly important to exercise effective supervision over the leading cadres and functionaries of leadership organs in charge of personnel, finances, and materials to prevent trading of power for personal gain.

At last, Shen Daren stressed: The anticorruption struggle is a matter of great importance to the whole party. Party committees at all levels must attach a high degree of importance to it and conscientiously strengthen leadership over it. The anticorruption struggle in all areas must be waged under the unified leadership of party committees. We must persist in having the party and government pay close attention to tackling the task at the same time, having the task tackled at each level of authority, having one level of authority bring along those at the lower level, conducting regular checkups, and having all levels of authority take the responsibility so as to implement the plans and measures drawn up by the central authorities and the provincial party committee, one by one. The discipline inspection and supervisory organs

must closely coordinate with the judicial, procuratorial, public security, and propaganda departments to successfully wage the total warfare of the anticorruption struggle. We must pay attention to properly guiding, protecting, and bringing into play the masses' anticorruption initiative. We must encourage the masses to report corruption cases to the authorities, and ensure that the channels for them to send complaint letters and make complaint calls are smooth. Relevant departments and institutions must handle the problems reported and exposed by the masses conscientiously and responsibly. We must uphold the principle of seeking truth from facts in waging the struggle against corruption, strictly implement our policies, and persist in handling cases according to law. We must not launch mass movements or let everyone pass the test of the struggle. In particular, we must correctly distinguish between the two different kinds of contradiction, and ensure the struggle will go on resolutely and reliably.

Among those who participated in yesterday's meetings were Sun Jiazheng and Cao Hongming, deputy secretaries of the provincial party committee; responsible comrades of the provincial party committee standing committee, the provincial people's congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, the provincial discipline inspection commission, the provincial higher people's procuratorate, and the provincial higher people's court; secretaries of party committees of cities directly under the jurisdiction of Jiangsu Province and their mayors; responsible comrades of the leading party groups (party committees) of all departments and institutions directly affiliated with the provincial-level organizations; and all comrades attending the seventh plenary session of the provincial discipline inspection commission.

### Southwest Region

Tibet Recruits 'Professionally Trained Personnel' OW0510024793 Beijing XINHUA in English 0207 GMT 5 Oct 93

[Text] Beijing, October 5 (XINHUA)—More and more people are showing a strong interest in working in southwest China's Tibet, dubbed "the roof of the world".

Information from the ongoing first national exchange fair of professionally trained personnel here revealed that over 260 people have registered to work in Tibet. Included are 120 college graduates, one postgraduate and a graduate with a doctor's degree.

These volunteers, who come from 20 provinces, autonomous regions and municipalities across the country, have received professional training in science, polytechnology, agronomy and the humanities. A dozen of them have obtained senior technical titles at their work posts.

Long Defang, director of the Tibet Autonomous Regional Personnel Bureau, said this was the first time for them to recruit professionally trained personnel outside Tibet.

"As economic development expands quickly in Tibet, the demands for more talents in economic construction and management have become more obvious," said the director, adding that they have worked out a series of preferential policies to encourage more professionals from inland areas to work in Tibet.

# State Sponsors Farming Project in Tibet

HK0610104593 Beijing CHINA DAILY in English 6 Oct 93 p 1

[By staff reporter Liang Chao: "\$362m Plan To Cultivate Tibet"]

[Text] Lhasa—A 2.1 billion yuan (\$362 million) development programme has begun in Tibet in a bid to give the autonomous region a huge boost by the year 2000.

The farming and irrigation project is centered on the 65,600- square kilometre valley between Tibet's three largest rivers, the Yarlung Zanbo, Lhasa and Nyangqu.

And officials say the "One river, two tributaries" programme, funded entirely by the State, is the largest undertaken in Tibet.

Work has begun on 53 irrigation, forestry, farming, energy and projects with an investment of 170 million yuan (\$29.3 million). Two large agricultural development zones have also been set up.

Fourteen of the farming and irrigation projects are complete and have already boosted the supply of fresh vegetables in "Tibet's bread basket"—the area south of the Lhasa River.

The massive project covers 18 counties and cities with a population of 809,600.

And when the development network is complete it is expected to greatly improve Tibet's production and living conditions.

"The area, though occupying only a little over one third of the Tibetan territory, is nevertheless the most promising land in the whole region," said programme chief Jia Bao

Already, 22,000 hectares of arid grassland has been reclaimed and turned into farmland.

This area can produce 10 million kilograms of grain and 150,000 kilograms of oil-bearing crops a year.

Ten more projects are due to be complete this year.

Meanwhile, ground works for a large reservoir and preparations for another two irrigation works will be stepped up.

As the central government and the authorities in Tibet expected, the 10-year programme is playing a leading role in accelerating Tibet's economic take-off before the year 2000.

When it is complete the local people should be able to count on an extra 150 million kilograms of grain and 24 million kilograms of meat.

The zone's total industrial and agricultural output is to go up from 840 million yuan (\$144.83 million) in 1990 to 1,724 billion yuan (\$297 million) by 2000.

# North Region

# Inner Mongolia Chairman Discusses Economic Work

SK0610033193 Hohhot NEIMENGGU RIBAO in Chinese 15 Sep 93 pp 1, 3

[By reporter Zhang Zhaocheng (1728 0340 2052) and reporter Niu Yaming (3662 0068 5407) of Inner Mongolia People's Broadcasting Station: "Adopt Effective Measures To Fulfill Comprehensively This Year's Various National Economic and Social Development Tasks"]

[Text] The regional party building work conference continued on 14 September. Wu Liji, deputy secretary of the regional party committee and chairman of the regional government, gave a speech at the meeting held in the morning. He stressed: Governments at all levels must maintain close connection with the reality of the current economic development, firmly grasp the future economic development trend, consider the overall economic situation, realistically strengthen leadership over economic work, adopt effective measures, and comprehensively fulfill this year's various national economic and social development tasks.

Wang Qun, secretary of the regional party committee, and Wang Zhan, deputy secretary of the regional party committee, respectively presided over the meetings in the morning and in the afternoon.

In his speech, Wu Liji first analyzed the whole region's economic situation in the previous eight months of this year. He said: Judging from the general situation, the whole region's economic situation from January to August of this year was good. To put it briefly, the overall economic balance further increased and economic efficiency improved. Under the situation in which some localities were hit by serious natural disasters, we still have great hope of reaping a bumper harvest in agricultural and animal husbandry production; township enterprises developed rapidly; output value, profits, and taxes increased by a large margin; industrial production rebounded on a monthly basis; economic efficiency was raised; the total investment in fixed assets increased; the investment structure became rational; foreign trade continued to expand; additional progress was made in the

use of foreign capital; the financial order was consolidated; and initial results were made in strengthening financial and tax management. Meanwhile, we also should recognize that some new contradictions and problems have emerged in the course of the whole region's economic development, and some of the problems are quite prominent.

Wu Liji stressed that it is necessary to grasp realistically the economic work of the next four months of this year in eight aspects:

We should continue to consolidate the financial order. In the future, all localities and departments must obtain approval from the regional relevant departments in collecting funds under any form; economic entities run by the financial departments must be audited one by one; economic pertinent departments at all levels should actively coordinate with the financial departments and adopt practical and feasible measures for increasing savings deposits, preventing funds from being used unwisely, invigorating the reserved funds, tapping potential, and introducing funds in order to make greater achievements.

We should continue to rectify conscientiously the financial and taxation order. Financial and tax departments at all levels should realistically strengthen collection and management of tax revenue and the "funds for key energy and communications projects and the budgetary regulatory funds," and resolutely should prevent tax evasion. It is necessary to control strictly financial expenditures and the overly rapid growth of institutional purchases. All localities and departments should strictly cut expenditures and resolutely stop spending unnecessarily. Party and government organs at all levels should take the lead in leading an austere life. We should strive to fulfill this year's financial and taxation tasks through rectifying financial and taxation order, broadening the sources of income and practicing economy, increasing revenue, and reducing expenditures.

We should continue to clear up the fixed asset construction items. Departments concerned should be determined to collect funds for guaranteeing the construction of key projects. The system of assigning different levels to hold different responsibilities should be implemented while clearing up the fixed asset construction items.

We should do a very good job in the purchase of agricultural and animal products. The banking, financial, commercial, and supply and marketing departments should act in line with the demand of "implementing four aspects of work and putting three things in place," guarantee the purchasing funds, and ensure that no "IOUs" will be issued. We should strive to successfully carry out the work of purchasing autumn grains, oil-bearing crops, beets, livestock, wool, and farm and animal products. We should also step up efforts to prepare funds for purchasing some special products of our region, such as soybeans, castor beans, Chinese

ephedra, and licorice roots. This year no new default of payments in grain purchases will be allowed.

We should further attend to agricultural and animal husbandry production in an effort to reap a comprehensive bumper harvest in agriculture and animal husbandry. It is necessary to prominently grasp well the "three autumn" tasks, do a good job in autumn harvesting, and reap a comprehensive bumper harvest in agricultural production. In the field of animal husbandry, we should exert strenuous efforts to mow and store grass, repair livestock sheds, and make preparations to tide the livestock over winter. We should conscientiously sum up experiences and lessons from the losses caused by this year's disasters of serious drought and floods; and actively harness the major rivers and carry out the capital construction of farm, grassland, and grazing land projects with a focus on water conservation projects. It is necessary to pay attention to building socialized service departments in the rural and pastoral areas and continue to stress and grasp well the work of supporting the poor areas.

We should give prominence to invigorating the existing enterprises and be determined to push industrial production forward. Further efforts should be made to deepen enterprise reform, promote the change of enterprise operational mechanisms, intensify enterprises' development vitality and motivation, invigorate large and medium-sized enterprises in line with local conditions, strengthen the internal management of enterprises, accelerate the technological progress of enterprises, strive to raise labor productivity, fully mobilize the enthusiasm of technical personnel, and give play to the role of the masses of workers as the masters of their own destiny, realistically strengthen management, promote technological progress, and strive to seek efficiency from management, science, and technology. We should grasp well the work of ending deficits and increasing profits in enterprises, share the targets with all levels, grasp priorities, pay attention to the major money-losing households, and give necessary economic and organizational measures for those that fail to effectively end deficits.

We should adopt effective measures and guarantee the fulfillment of this year's task of gaining foreign exchange through exports. Economic and trade departments at all levels should race against time, pay attention to progress, tap potential, create efficiency, and comprehensively fulfill this year's export task. Governments at all levels and various pertinent departments should actively support foreign economic and foreign trade work, giving priority to guaranteeing funds and transportation facilities and providing timely and effective services for enterprises that create foreign exchange through exports.

We should continue to pay attention to the work of combating disasters and sending relief and realistically making good arrangements for the production and living standard of the people in the disaster areas. The priority is to solve the practical difficulties of the masses in the disaster-stricken areas, including clothing, food, and

accommodations, and guarantee that they have food to eat, clothes to wear, places to live, timely medical care when they are sick, and normal schooling for their children. All relevant departments should realistically serve the work of combating disasters and sending relief and guaranteeing the organization of materials for production and living in the disaster areas.

Wu Liji also pointed out: Governments at all levels should realistically strengthen leadership over economic work. It is necessary to further enhance understanding and unify thinking in the major issues of the relations between strengthening macroeconomic regulation and control and accelerating economic development, between readjusting structure and seizing the opportunity, between acting according to one's capacity and trying one's best, between guaranteeing some projects and cutting some projects, and between expanding production through upgrading technology and through launching new projects. Governments at all levels should strengthen coordination and guidance. Economic competent departments at all levels should promptly solve practical problems in the course of production. Governments at all levels should give overall consideration, make overall arrangements, and promptly work out plans for next year's various economic and social development tasks. While successfully grasping all sorts of economic tasks, we should also further strengthen ideological and political work in line with reality and actively strengthen the building of spiritual civilization. It is necessary to act resolutely in line with the plans of the party Central Committee, deeply carry out the anticorruption struggle, and strengthen the building of clean

At the meeting held on the afternoon of 14 September, Geriletu, member of the standing committee of the provincial party committee and secretary of the discipline inspection commission, and Feng Qin, director of the organization department of the regional party committee, respectively gave speeches on implementing the guidelines of the second plenary session of the Central Discipline Inspection Commission and of the national organizational work forum.

# Inner Mongolia Holds Discipline Inspection Forum

SK0510124693 Hohhot NEIMENGGU RIBAO in Chinese 18 Sep 93 pp 1, 4

[By reporter Zhang Zhaocheng (1728 0340 2052) and Inner Mongolia People's Broadcasting Station reporter Niu Yaming (3662 0068 5407): "Unswervingly Implement the Three Tasks for the Anticorruption Struggle for the Near Future and Conscientiously Promote the Continuous Improvement of Party Style and Administrative Honesty"]

[Excerpts] The seventh plenary session of the Inner Mongolia Autonomous Regional CPC Discipline Inspection Commission was held in Hohhot from 13 to 16 September. [passage omitted]

Geriletu, standing committee member of the autonomous regional party committee and secretary of the autonomous regional discipline inspection commission, gave a report on behalf of the standing committee of the autonomous regional discipline inspection commission. He first analyzed the situation in the region's anticorruption struggle, pointing out: Since last year, when Comrade Deng Xiaoping's important speeches made during his south China inspection were published, the autonomous regional party committee and government have adhered to the strategic principle of "attending to two tasks simultaneously and being competent in both" and adopted a series of measures to step up improvement of party style and administrative honesty. Discipline inspection and supervision departments throughout the region have performed their functions; actively opposed corruption and advocated honesty; strictly investigated and handled law and discipline breaches; launched special campaigns to tackle wanton collection of fares and donations, misuse of disaster relief funds, chaos in village-level finance, and the unhealthy trends in conscription, worker recruitment, and change of rural residence registration into urban residence registration; strengthened supervision over law enforcement, and conducted propaganda and education on party and administrative discipline. On the whole, the region's work to oppose corruption and advocate honesty has been fruitful, and the mainstream of the party style and administrative honesty is good. However, the situation in the current anticorruption struggle remains very grim, and negative and corrupt phenomena are still very serious.

Speaking on implementation of the three tasks set forth by the party Central Committee and the Central Discipline Inspection Commission for the anticorruption struggle for the near future, Geriletu emphasized the need to concentrate forces on implementation of these three tasks, make earnest efforts to do practical work, and win notable achievements acknowledged by the masses by the end of this year. [passage omitted]

Speaking on the basic ideas for launching the anticorruption struggle in the new situation, Geriletu emphasized: First, we should make the anticorruption struggle be manifest in reform, opening, and economic construction; persistently "develop reform and opening up on the one hand and punish corruption on the other"; and combine and promote these two endeavors simultaneously. Second, in launching the in-depth anticorruption struggle, we should coordinate the work for different stages with the work to be done on a regular basis, and pay attention to winning breakthroughs in different stages. Third, in launching the in-depth anticorruption struggle, we should fulfill the tasks in two fields and win real results in them. We should both sternly punish corrupt elements according to the law and make great efforts to check negative and corrupt phenomena and correct unhealthy trends. Fourth, in launching the anticorruption struggle, we should give prominence to key points and, first of all, pay attention to party and government leading organs and leading cadres.

In conclusion, Geriletu pointed out: Discipline inspection and supervision departments should improve themselves with a spirit of reform in order to meet the needs in the grim situation in the anticorruption struggle. They should arm themselves with the theory of building socialism with Chinese characteristics, integrate theory with practice, and make discipline inspection and supervision work coordinate more closely with economic construction and serve it more effectively. They should improve their organizations, especially the county-level discipline inspection and supervision departments, and strive to build the discipline inspection and supervision contingents that are politically qualified, professionally competent, realistic in work styles, and strict in discipline enforcement. They should carry forward the selfless, fearless, and resolute spirit and the spirit of having the courage to tackle difficulties, lose no time in doing practical work with earnest efforts, win success in the anticorruption struggle for the current stage, and make new contributions to ensuring and promoting the smooth development of reform, opening up, and economic construction.

Members of the autonomous regional discipline inspection commission, secretaries of league and city discipline inspection commissions, and directors of league and city supervision bureaus attended the session as nonvoting delegates.

# Inner Mongolia Reviews Industrial Production

SK0510123893 Hohhot NEIMENGGU RIBAO in Chinese 18 Sep 93 p 1

[Text] From January to August this year, the sales value of the industrial enterprises at and above the township level in Inner Mongolia totaled 19.521 billion yuan (at 1990 constant prices; the same applies to the figures below), up 10.41 percent from the same period last year; and the marketing rate of their products was 94.32 percent.

The region's industrial output value totaled 20.894 billion yuan in the first eight months of this year, up 7.81 percent from the same period last year. Its August industrial output value was 2.705 billion yuan, up 10.75 percent.

The region's January-August light industrial output value totaled 7.392 billion yuan, down 1.99 percent from the corresponding period last year; and its heavy industrial output value was 13.502 billion yuan, up 14.05 percent.

The industrial output value of the state-owned enterprises in the region was 16.598 billion yuan from January to August, up 3.76 percent from the same period last year; and that of collective enterprises was 3.935 billion yuan, up 24.62 percent.

Judging from the production of large and medium-sized enterprises, their industrial output value was 12.898 billion yuan in the January-August period, up 13.87

percent from the same period last year. The August growth rate was 18.10 percent, higher than the regional average. Judging from their marketing, their sales value totaled 12.409 billion yuan, up 16.13 percent from the same period last year; and the marketing rate of their products was 96.95 percent. Both growth rates were higher than the regional average.

Judging from the product marketing rates of different localities, the industrial product marketing rates of Baotou, Wuhai, Hinggan League, Ulanqab League, and Bayannur League exceeded 95 percent, of which the marketing rates of Hinggan and Bayannur Leagues exceeded 100 percent. The industrial product marketing rate of Ih Ju League was 75.36 percent, and that of Alxa League 84.28 percent.

Major reasons for the sluggish growth in industrial production were as follows: 1) Some enterprises in eastern Jirem League, Hinggan League, and Chifeng city had to suspend production due to serious floods; 2) some power plants and other enterprises conducted overhaul of equipment; and 3) some coal enterprises had to limit their production according to coal marketing due to the strained railway transportation capacity.

### 300 Inmates Stage Hunger Strike at Shanxi Prison

HK0610034693 Hong Kong CHENG MING in Chinese No 192, 1 Oct 93 p 19

["Reference News" by Tsung Ke (4912 1356): "Collective Hunger Strike Takes Place in Datong Prison"]

[Text] At 1800 on 29 August, a collective hunger strike broke out at the prison in the city of Datong, in Shanxi Province. The inmates protested inferior food and crowded prison wards. According to sources from the reform-through-labor authority of Shanxi Province, more than 300 prisoners staged the hunger strike collectively. They sat on the ground of the prison compound and shouted slogans: "Better food!" "Open food standards!" "Punish corrupt officials!" The prison guards fired warning shots into the air, and ordered the inmates to return to their wards, but the inmates answered by shouting slogans: "Law! Law!" "Humanitarianism!" When the prison guards took action and tried to seize the leaders of the prisoners, other inmates shouted: "Right to life! Right to have food!" "No violence!" "No firing!" The incident lasted more than three hours. Finally, a deputy director of the city public security bureau came to the scene and promised to investigate the cafeteria conditions; if the prisoners' complaints proved true, actions would be taken. The prisoners then returned to their wards, and their protest was calmed. According to reports, the prison holds convicts sentenced to fewer than five years.

# Shanxi Holds Anticorruption Mobilization Meeting

HK0610070693 Taiyuan SHANXI RIBAO in Chinese 6 Sep 93 p 1

[Report by Hu Guo (5170 2654), Du Tiancheng (2629 1131 2052), and Wang Jianmin (3769 1696 3046): "Shanxi Provincial Discipline Inspection Commission Holds Fifth Plenary Session To Make Arrangements for Anticorruption Struggle"]

[Text] The Fifth Plenary Session of the Discipline Inspection Commission of the Shanxi Provincial CPC Committee opened in Taiyuan on the morning of 5 September, at which the provincial party committee and provincial government held a mobilization meeting on conducting a thorough struggle against corruption and formulated a general mobilization plan for the province-wide struggle against corruption, stressing the need to seek phased results in the near future.

Feng Zhimao, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission, presided over the meeting and conveyed General Secretary Jiang Zemin's important speech and the spirit of the Second Plenary Session of the Central Discipline Inspection Commission. Wang Maolin, secretary of the provincial party committee, delivered a mobilization speech on thoroughly launching the struggle against corruption (the full text of which will be dispatched separately). Hu Guoxian, deputy secretary of the provincial party committee and governor, announced the provincial party committee's and provincial government's "Resolution on Conducting a Thorough Struggle Against Corruption" (the full text of which will be dispatched separately).

In his speech, Wang Maolin pointed out: To carry out the struggle against corruption, it is necessary to profoundly understand Comrade Jiang Zemin's important speech and the spirit of the Second Plenary Session of the Central Discipline Inspection Commission, understand even more clearly the situation, achieve unity in thinking, and enhance the sense of urgency in carrying out the struggle against corruption. While working for reform, opening to the outside world, and economic construction, the province has persisted in implementing comprehensively and correctly the party's basic line and upholding the principle of "doing two types of work simultaneously, attaching equal importance to both, and has done much work to strengthen the building of party style and clean government, thus achieving some results and containing the emergence and spread of corrupt phenomena to a certain extent. Overall, at present, the main aspect of party organizations at all levels in the province is good and most party members and cadres are honest in performing their official duties. However, we must soberly notice that corruption does exist in party and government organizations at present, and in some aspects they are seriously corrupt. Moreover, corruption is spreading among them. On no account should we treat this state of affairs lightly, turn a blind eye to it, or adopt an apathetic approach.

Wang Maolin pointed out: We must foster the idea of carrying out the anticorruption struggle with determination and on a long-term basis. County leading cadres at the department level and above must strictly carry out the "10 prohibitions" set by the provincial party committee and government and must carry out earnest self-examination and self-correction. In the near future, we must step up efforts to investigate and handle a number of major and important cases, and must make vigorous efforts to check the unhealthy practices in departments and trades against which the masses of people have strong opinions.

Wang Maolin pointed out: We must uphold correct guiding ideology, strictly implement various policies, and ensure the healthy development of anticorruption work. He said: We must carry out the struggle against corruption from the overall viewpoint of consolidating and developing the current fine situation; correctly handle the relationship between anticorruption work on the one hand, and reform and construction on the other; carry out this work in a highly effective manner while ensuring the normal progress of reform and construction; uphold the principle of seeking truth from facts; correctly handle the two types of contradictions, which are different in nature; and strictly implement various policies.

Wang Maolin called on party committees and governments at all levels to strengthen leadership over the struggle against corruption from level to level. He emphatically pointed out: The struggle should be put under the unified leadership of the party committee, and carried out jointly by party and government leaders, with principal leading comrades taking personal command. It is necessary to strengthen leadership over the struggle, carry out the building of party style and clean government and the struggle against corruption as an important political task, and place it on the agenda as an important topic.

The main topic for discussion at the fifth plenary session of the provincial discipline inspection commission was to implement the spirit of the 14th CPC National Congress, with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide; conscientiously study Comrade Deng Xiaoping's expositions on adhering to "doing two types of work simultaneously"; study strengthening the struggle against corruption in the new situation in accordance with the requirements set by Comrade Jiang Zemin in his speech at the Second Plenary Session of the Central Discipline Inspection and the spirit of that session; carry forward the province's line of consideration and measures for the building of party style and clean government; make arrangements for the current anticorruption work; and ensure the smooth progress of the province's reform and opening up, as well as it economic construction.

More than 2,200 people attended the mobilization meeting, including representatives attending the fifth plenary session of the provincial discipline inspection commission, standing committee members of the provincial party committee, vice governors, responsible comrades of the provincial committee of the Chinese People's Political Consultative Conference who were party members, the president of the provincial court, the chief procurator of the provincial procuratorate, former veteran comrades who were party members and retired from the provincial leading body, and party-member cadres at the departmental deputy director level in organizations directly under the provincial governments.

# Northeast Region

Heilongjiang Secretary on Anticorruption Work SK0510090393 Harbin HEILONGJIANG RIBAO in Chinese 17 Sep 93 pp 1, 3

[Speech by Sun Weiben, secretary of the provincial party committee, at the second plenary session of the provincial discipline inspection commission on 16 September: "Resolutely Realize the Anticorruption Short-Term Work Targets"]

[Text] Recently, the party Central Committee and the Central Discipline Inspection Commission issued a mobilization call and worked out plans for strengthening the anticorruption struggle and carrying out work on building party style and administrative honesty. The important speech given by Comrade Jiang Zemin at the second plenary session of the Central Discipline Inspection Commission used the theory on building socialism with Chinese characteristics as its guide, deeply elaborated on the importance and urgency of the current anticorruption struggle from the perspective of building the party and political power, analyzed the present situation of anticorruption struggle in a fact-seeking manner, and proposed the short-term anticorruption work tasks and the targets to be fulfilled in certain stages. Comrade Jiang Zemin's speech has manifested the principle which Comrade Deng Xiaoping has persistently stressed of "taking a two-handed approach and be tough with both," and our party's firm determination to carry out the anticorruption struggle, and has major practical significance as well as strategic significance in guiding the whole party to carry out anticorruption struggle under the new situation.

The provincial party committee and the provincial government have resolutely supported the party Central Committee's policy decisions. After listening to and watching on television Comrade Jiang Zemin's important speech, leading members of the five provincial-level leading bodies immediately conducted conscientious study and discussions. After that, the standing committee of the provincial party committee also listened to the provincial discipline inspection commission's relay of the guidelines of the second plenary session of the central Discipline Inspection commission, and discussed

and studied our province's opinions on the implementation work. At the enlarged standing committee meeting of the provincial party committee held in early September, we gave a general mobilization call and worked out plans for carrying out anticorruption work in our province in line with the central demands, and stated that our province must fulfill the following tasks prior to the end of this year: Leading cadres at and above the county and section levels should achieve noticeable progress in making themselves clean and self-disciplined and realistically serve as an example for the broad masses of party members and cadres; they should basically check the unhealthy trends of arbitrarily collecting service charges and using public funds for tourism and sightseeing abroad and ensure that some trades and departments will achieve actual results in checking prominent problems on unhealthy trends in their own units; and they should investigate and complete a number of major and appalling cases and punish a number of corrupt elements in line with law. At the beginning of this meeting, Comrade Li Qinglin put forward specific demands on how to fulfill our province's short-term anticorruption work tasks. The party committees and governments at all levels and all the Communist Party members must act in line with the demands of the provincial party committee and the provincial discipline inspection commission, take action actively, and be sure to achieve noticeable results in anticorruption struggle on time.

Carrying out anticorruption struggle is a major political task of the whole party. Now that our province's anticorruption struggle short-term work task and targets as well as the specific opinions on implementation work and the responsibility system have already be clearly defined, the crucial issue involved is whether we can successfully grasp the implementation work or not. In this connection. I want to stress some views.

1. We Should Further Solve the Issues of Understanding and Determination of the Party and Government Leading Cadres at All Levels

To achieve expected results in the anticorruption struggle, first of all, we must keep our ideology and understanding in place. Judging from the present situation, after the issuance of the central mobilization call and the plans on strengthening anticorruption struggle, the broad masses of cadres have wholeheartedly supported them and universally believed that this is a wise move. We may say that this move enjoys popular confidence and is where the popular will inclines. However, a considerable number of cadres failed to have sufficient confidence in fighting corruption. They waited to see whether the people can grasp this work realistically and can achieve good results. What merits our attention is that some party- member leading cadres failed to solve the problems on ideology and understanding. Some comrades set anticorruption against economic development and believed that anticorruption would affect economic development; some comrades misunderstood

the principle of making discipline inspection work subordinate to and serve economic construction and said that "to push the economy forward, discipline must give and that to serve economic construction, they should not manage the existing problems and investigate the existing cases. Some comrades think that people who oppose corruption and who pay close attention to this work will suffer losses, and that local interests will be affected when opposing corruption. Others embrace the idea of competition, believing that our corrupt phenomena are not as serious as those in economically developed areas and, therefore, it is not necessary to put great efforts into this aspect of work. Still others lack confidence, believing that little can be achieved in tackling corruption because it is an old habit that cannot be eliminated despite repeated prohibition. There are also comrades who are still waiting to see if higher levels are making real efforts and to see what moves other localities have taken. These problems can be summarized as a lack of full understanding of the importance and urgency of the anticorruption work and a lack of full understanding of the great significance of the party Central Committee's decision on opposing corruption. In our current endeavor to promote the anticorruption struggle, we should first remove these ideological obstacles. Leading comrades at all levels should conscientiously study Comrade Deng Xiaoping's important expositions on attending to two tasks simultaneously and opposing corruption and Comrade Jiang Zemin's important speeches so as to unify their thinking in line with the party Central Committee's important decision. They should understand that further launching the anticorruption struggle is an important decision made by the party Central Committee after it comprehensively and correctly analyzed the international and domestic situations and realistically estimated the party's contingent and the anticorruption struggle, is an inevitable demand on comprehensively implementing the party's basic line and attending to two tasks simultaneously, and also is an important guarantee for promoting economic construction with concentrated efforts and for consolidating and developing the current excellent situation. There is no doubt that our party's line is correct, the mainstream of the party's contingent is good, and China's tremendous economic development and social progress won in the past decade and more are the result of the unity and hard work of party members and cadres. While fully affirming the mainstream of party style, however, we should remain clear-headed to note that negative and corrupt phenomena have not been effectively eliminated and are spreading in some cases. The abuse of power for selfish gains and deals between power and money have extended from grass-roots institutions of all kinds to higher levels to corrode party and government organs, justice departments, law-enforcing administrative departments, and economic management departments. The practice to abuse power for extortion and to refuse to work without benefits adopted by some leading cadres and people who hold real power has developed into wanton collection of fares, fines, and donations by some departments and units which enjoy some privileges in

some trades and some conditions to do so. Past practice of embezzlement and bribe-taking to amass wealth has developed into speculation in marketable security and real estate by taking advantage of the imperfect areas of policies and regulations. Past ordinary lavish wining and dining have developed into wanton squander, highconsumption pleasure seeking, and even degeneration. In particular, some leading cadres are indifferent to corruption and, during law and discipline enforcement, engage in local protectionism and shield the faults of some trades and departments; and some party and government organizations are soft-hearted and lax in enforcing discipline. This encourages negative and corrupt phenomena and shields some corrupt elements. The masses are most dissatisfied with and bitterly hate such a situation. Many comrades within and outside the party also bitterly hate and are much worried about it. It is time for us to tackle corruption with a firm determination. As early as 1982, Comrade Xiaoping pointed out: "In the mere one or two years since we implemented the policies of opening to the outside world and enlivening the domestic economy, a considerable number of cadres have been corrupted. We should have a full estimation of such a situation. This trend has come vigorously. If our party does not seriously pay attention to and resolutely check this trend, our party and state will face a question of whether it will 'change the outlook.' This is by no means an exaggeration to scare people."

For this, we must wake up and come to fully understand the seriousness of corruption. We should understand that if we refuse to make a prompt decision to solve corruption as early as possible, corruption will endanger the life of the party and the survival of the people's political power. Thus, we must promptly make up our mind to eliminate corruption without any tolerance.

The spreading of corrupt phenomena and the failure in punishing the corrupt in some localities has already seriously hampered economic construction and the sound development of reform and opening up and has already affected the process of establishing the socialist market economic system. It has not only seriously damaged the image of the party and the government and dampened the initiative of the numerous cadres and masses, but has also sapped the party's organizational discipline; hampered the thorough implementation of the party's line, principles, and policies; made administrative and economic policies and decisions lose shape in implementation; led to the appropriation of state assets and property; damaged the achievements of reform; and given rise to some unstable factors in society. It is clearly shown by facts that in these localities, it is not the anticorruption drive that has affected economic development, but is the lack of resolution in anticorruption that has affected economic construction and the sound development of reform and opening up. Just as Comrade Xiaoping said, "in economic construction, we have done an extremely good job and the current situation is gratifying. This is the success of our country. But, if the general mood of society grows worse and worse, then

how significant is it if the economy succeeds? Degeneration in one aspect will make the entire economy turn bad. If we let degeneration spread unchecked, it will give rise to a world in which embezzlement, theft, and bribery run wild." This brilliant exposition still has a strong practical and guiding significance. In carrying out the socialist market economy, we should have a general social mood better than that of capitalist society. How can we allow the corrupt phenomena, that are even prohibited by formal decree in developed capitalist countries, to spread unchecked? The market economy is an economy of the legal system. No doubt, in the developing market economy, we should smash some trammels and interferences and create a relaxed environment, but, this does not mean that we can stick to our old way of doing things, can do whatever we like, can ignore laws and discipline as well as the sense of honor and the sense of shame to make money by hook or by crook, and can blame the pertinent laws and regulations of the party and the government and the necessary macroeconomic regulation, control, and supervision by regarding them as administrative barriers. If we allow the commercialization of powers and permit such corrupt behavior as abusing powers to do business and competing with each other through bribery, not only a group of party members and cadres will become morally degenerate, the formation of the normal market economic order will certainly be damaged as well. Therefore, we must persist in the principle of "resolutely grasping both economic construction and anticorruption drive." In the course of firmly grasping the central task of economic construction and firmly and unswervingly deepening reform and developing the socialist economic economy, we should firmly and unswervingly wage the anticorruption drive to ensure the smooth progress of reform, opening up, and economic construction.

Corruption is a kind of historical phenomenon. Corruption is incompatible with the nature and aim of our party and with our socialist system. There are various kinds of complicated reasons for the fact that corrupt phenomena still exist under the socialist conditions and are even very serious for a time. For instance, the remaining influence of the feudalis! deas, the inroad of the corrosive bourgeois outlook (a life and on value following the opening to the outside world, the imperfect systems and mechanisms occurring in the course of changing from old systems to new ones, the stagnation of laws and regulations, and the loopholes in work and management have all provided opportunities for corrupt phenomena to spread. However, in any case, corrupt phenomena are not the inevitable outcome of reform and opening up. Those viewpoints of allowing the existence of corrupt phenomena in the course of reform and opening are absolutely groundless, and those viewpoints of believing that corrupt phenomena have become uncontrollable are unreasonable. Our communist people could level the three mountains which weighed on the minds of the people during the old society; likewise, they can also eliminate the corrupt phenomena which are absolutely incompatible with the socialist system. This way of doing

things conforms with the party's will and the people's desire. The common aspiration of the party and the people is the basis of the strongest strength for winning victory in our anticorruption struggle. Our leaders at all levels should first foster confidence and determination and use practical deeds to prove our ability and determination in fighting corruption. At present, we must strive to practice and implement the anticorruption short-term tasks and work targets proposed by the party Central Committee, check the trend of the spreading corrupt phenomena, and inspire the party and the people.

# 2. Leading Cadres Should Take the Lead in Keeping Themselves Clean and Self-Disciplined

Urging leading cadres to take the lead in keeping themselves clean and self-disciplined is an important part of the anticorruption short-term work tasks and an important guarantee for realizing the short-term work targets. In building clean politics, leading cadres must take the lead in setting examples. First, because our leading cadres have a certain power in their hands, whether they can correctly exercise their powers and keep themselves clean or not is not a personal affair, but an affair closely related to the prestige of the party and the government and to the common practice of a locality or a department. Unrestricted powers will inevitably give rise to corruption. Therefore, we must set forth strict demands on party-member leading cadres. Second, some corrupt phenomena and unhealthy trends within the party have occurred in some leading cadres. "If the upper beam is not straight, the lower ones will go aslant, and if the middle beam is not straight, the house will collapse." We must teach others by our own examples. Only when we are honest and clean can we be able to have the right to speak and to gain the initiative in the anticorruption struggle. Third, only when leading cadres take the lead in this struggle can good results be achieved. The strength of examples are endless. Examples are better than precepts. In keeping themselves clean and self-disciplined and taking the lead in setting examples, leading cadres themselves are the banners and the silent orders. They may impart tremendous appeal, influence, and convincing power to the broad masses of cadres. At present, what merits our attention is that some of our leading comrades have claimed to be special, failed to match their words with their deeds, said one thing at the meetings and acted the other way after the meetings; urged other people to practice Marxism, but themselves engaged in money worshipping; and some others were not clean, restrained themselves for a while when the anticorruption trend came, dwelled on the abstract to avoid real issues, and covered their mistakes. It is hoped that these comrades would bravely conduct selfcriticism, correct their mistakes on their own initiative, and win the masses's forgiveness and trust. Facts show that if leading cadres cannot keep themselves honest and clean, they will be unable to take the lead in promoting good practices and to fight corruption justly and forceThis time, in line with the current new situation and new problems, the central authorities have reiterated and set forth the strict demands of "five prohibitions" on leading cadres. The provincial party committee has added two more demands in line with the provincial conditions. The provincial party committee has called on the party members and cadres across the province to resolutely act in line with these seven demands from now on. Leading cadres at and above the county and section levels should all the more set examples with their own conduct. In accordance with the central demands, partymember leading cadres at all levels should "take the lead in four aspects" while keeping themselves clean and self-disciplined. That is, they should take the lead in implementing the anticorruption plans and tasks put forward by the central authorities and resolutely should not deal with this work perfunctorily; take the lead in keeping themselves clean, and resolutely not engage in abusing their powers to seek personal gain; take the lead in supporting discipline inspection and supervision organs and judicial departments to investigate and handle cases on corruption and resolutely not plead for mercy for other people or interfere with the work; and take the lead in checking prominent unhealthy trends in their own localities and trades and resolutely not shield the shortcomings and treat the people too leniently. As long as all the people persist in doing this, they will win the support of the broad masses of people and will be able to solve and overcome the existing passive and corrupt phenomena.

Leading cadres should play an exemplary role, and standing committee members of the provincial party committee and members of the several major provinciallevel leading bodies should start with themselves. We should set strict demands on ourselves, take the lead in implementing in an exemplary manner the requirements on leading cadres for honesty and self-discipline as put forward by the party Central Committee and the provincial party committee, and set an example in doing so. We should strictly implement whatever the central authorities and the provincial party committee require us to do and resolutely resist whatever they explicitly prohibit. In maintaining honesty and self-discipline, we should first strengthen self-restraint in ideology. We should embrace correct concepts on life, value, and morality and enhance the ability to resist the corrosion of money worshipping, pleasure seeking, and ultra-individualism. Second, we should standardize our behavior with the party constitution, the guiding principles, and the requirements put forward by the central authorities and the provincial party committee. We should also educate well our own children, discipline the personnel working beside us, and never allow them to flaunt the banner of leaders to seek personal gain. From now on, all localities and departments should firmly resist those who flaunt the banner of leaders to seek personal gains and submit timely reports on them to the provincial party committee. We should strictly measure ourselves by the five requirements put forward by the central authorities and the two additional

requirements put forward by the provincial party committee to find out where we lag behind and what our problems are and make rectification and correction on our own accord. We should also take the initiative in subjecting ourselves to supervision and subject our work and honest performance of duties to the supervision of party organizations and the masses. Here, on behalf of the provincial party committee, I sincerely welcome party members, cadres, and the masses in the province to supervise our work and our honest performance of duties and to put forward criticisms and opinions.

Departments directly under the province are ones leading the work of the province. When they succeed in implementing discipline, they will play a good leading role in the anticorruption work of the province. Comrades of these departments should clarify their position, role, and responsibility in the province's endeavor of opposing corruption, especially in tackling the corruption of some trades, and be the first to take action. After this plenary session, all units should mobilize their personnel and make arrangements meticulously for the anticorruption work for the near future in line with the requirements of this session. They should formulate work plans and clarify work tasks, the issues to be resolved on a priority basis, the targets to be attained, time limit, and responsibilities of leaders. Leading bodies of the various committees, offices, departments, and bureaus should devote some time to study, selfexamination, rectification, and correction to solve the problems of collectives and individuals. Cadres at and above the section level of the departments directly under the province should also concentrate efforts on study and self- examination. Problems should be reported, corrected, rectified, and strictly investigated and dealt with when necessary. The unhealthy trends to be corrected as demanded by the central authorities and the provincial party committee should be conscientiously corrected. Regarding the collection of fees, in particular, all feecollecting administrative units should conduct examination and immediately cancel or reduce the fees they collect or increase without authority. If the fees are decided by higher-level pertinent departments, correction should be made according to the stipulations to be promulgated by the State Council soon. Units directly under the province which hold the responsibility for leading and guiding the work of the departments of the same trades should not only do a good job in their own honest performance of duties but also conscientiously lead and guide well the anticorruption work of these departments and examine and correct the wanton collection of fees by themselves and their subordinate units. All irrational fees decided on by any level should be discontinued first and then examined. When this is violated, not only the persons involved but also the departments and the leaders in charge will be held accountable. While doing a good job in resolving the key issues defined by the central authorities and the provincial party committee, all departments and units directly under the province, in line with their specific conditions, should correct one or two conspicuous unhealthy trends

characteristic of some trades about which the masses have many complaints and achieve good results by the end of this year.

A good job should be done in having the leading cadres of party and government organs at or above the county level conduct self examination about their own honest self-discipline and in conducting inspection over the work done by leading cadres in performing their official duties honestly and exercising self-discipline. We should turn the results achieved by leading cadres in performing their official duties honestly and abiding by the law into an important content of discussion at the meeting of party life. At their meeting of democratic life by the end of this year, the party and government leading bodies at or above the county level should concentrate their efforts on examining or dealing with the problems committed by collectives and individuals with regard to not exercising honest self-discipline by closely following the tasks set for the recent anticorruption campaign. In addition to the party discipline inspection organs and the party organizational department at the same level, which are responsible for collecting reports given by the masses on complaints prior to the meeting of democratic life, the higher authorities may dispatch personnel if necessary to help the party and government leading bodies solicit the opinions from the mass and accurately ferret out key problems that need to be discussed at the meeting. During the meeting, members of these leading bodies should give true answers to the questions raised by the masses; present their own examination data; and earnestly conduct self-criticism. The meeting of party life cannot be turned into a work conference and a gathering of appraising the achievements and commending the good. The members of party and government leading bodies should boldly carry out criticism so as to enable the meeting of democratic life to truly handle problems.

In order to enhance the supervision and inspection over the problems committed by party-member leading cadres with regard to not exercising honest selfdiscipline, the provincial party committee has decided that in line with the demand set by the central authorities with regard to integrating discipline inspection with the work appraisal and employment of cadres, the discipline inspection commission and the party organizational department should conduct inspection to determine whether the leading bodies and cadres at the same level have performed their administrative duties industriously and honestly and to emphatically learn about the honest self-discipline exercised by leading cadres. In line with the detailed rules and regulations that will be issued by the central authorities, the Central Discipline Inspection Commission, and the Ministry of Supervision with regard to the standards of honest duty performance and self-discipline, the commission and department should impose organizational sanction and disciplinary punishment on those who have violated these rules and regulations. In order to correctly uphold the direction of guiding cadres, these commission and department should carry out adequate readjustment among the

cadres whose problems of not performing their official duties honestly and being seriously complained by the mass have been discovered during the inspection but who are not qualified to accept the disciplinary punishment. They also may adopt organizational measures to transfer their leading posts to other places, to readjust their duties, to lower their post level, and to give no promotion to them. In selecting and employing cadres in the future, we should pay attention not only to their actual achievements but also to their records of performing the official duties industriously and honestly. After cadres being employed, the organizational department under the party committee and the party discipline inspection commission should conduct inspection each year to determine whether they have continuously performed their official duties industriously and honestly. They should also integrate the work of strictly enforcing the discipline with that of adopting necessary organizational measures and persistently carry forward the integration by turning it into a system.

# 3. We should enhance the leadership and implement the responsibility system

In the anticorruption struggle, leading cadres at all levels should exercise honest self-discipline; set an example in this regard; boldly be responsible for the struggle; and truly grasp the struggle and do practical deeds for it. They will not be qualified for leaders if they fail to fulfill the above mentioned principles. The anticorruption struggle represents a very serious struggle of politics. Tasks for the struggle are very arduous and working difficulties in the struggle are large. Whether the targets of recent anticorruption work have been fulfilled represents a stern test for the party and government leading bodies and principal leading comrades at all levels. We must overcome the tendency of talking much about the struggle and doing less in the work of struggle as well as of regarding meetings and document issuance for the struggle as their work results. We should be greatly determined in the struggle, do practical deeds for it, and achieve results or practical result in it. In conducting the work for the struggle, we should boldly deal with the knotty problems and refrain from "bullying the weak and fearing the strong." By displaying the spirit of being responsible for the party and the people, we should actively engage in the work for the struggle and wage a battle of dealing with key problems. We should resolutely adopt organizational measures to impose disciplinary sanction on those who have not earnestly performed their duties in the struggle, taken a perfunctory attitude toward the struggle, and have exercised ineffective leadership. In enhancing the leadership over the current anticorruption struggle, a good job should be done in grasping the following five tasks:

First, the system of the top leaders of party committees and governments at all levels assuming overall responsibility for building clean politics should be implemented. Anticorruption is an important task to strengthen the building of the party and of political power and thus it must be personally grasped by principal party and government leading comrades under the unified leadership of party committees. Top leaders of all cities and prefectures as well as all commissions, offices, and departments directly under the provincial authorities must assume overall and leading responsibility for the anticorruption work of their own localities and departments. Instead of giving general calls alone, these leaders must step on the post to personally take a hand in the work in order to put the work in its due place, assign work measures to all organizations, and conduct thorough supervision and examination.

Second, the system of all levels of leading bodies and their members sharing and assuming individual responsibility for the work of improving party style and administrative honesty should be implemented. In line with the stipulations of the responsibility system and with the principle that whoever takes charge of the work assumes responsibility, we should definitely divide the work, assign special persons to assume responsibility for the work, and let each level grasp and bring along the work of the next lower level in order to form a situation in which party committees and governments act with one heart and one mind and all fields coordinate their work. The provincial party committee and the provincial government should assume responsibility for managing well top leaders of cities and prefectures as well as the units directly under the provincial authorities. Top leaders of all cities, prefectures, and the units directly under the provincial authorities should be responsible for the success in the anticorruption work of their own leading bodies, own localities, and own units. Members of various leading bodies should be responsible for the success in the anticorruption work of the fronts assigned to them for management. From now on, we should establish the system of affixing responsibility in the localities and departments where the general mood has been unhealthy for a long time, where major and appalling cases have taken place frequently due to ineffective leadership, and where leaders refuse to conscientiously deal with major and appalling cases. Not only the persons who have violated laws and disciplines should be dealt with, the pertinent leading cadres should also be investigated and called to account. Here, another point should be stressed emphatically; that is, anticorruption is not only the important content of party building but also the important content of the building of political power. At present, corrupt phenomena have been prominently manifested in economic and administrative behavior. Governments at all levels shoulder important duties in waging the anticorruption struggle. We hope that leading comrades of governments at all levels will conduct conscientious examination and correction of the corrupt phenomena occurring in administrative and economic work in accordance with government functions, duties and powers. This time, the CPC Central Committee has defined that the State Council should assume responsibility for solving the problems concerning arbitrary

charges, operation of enterprises by party and government organs, and the "separation of revenue and expenditure." For this, the State Council has specially held meetings to make arrangements. Governments at all levels should actually shoulder the duties in this regard and pay special attention to solving these problems in line with the demands of the CPC Central Committee and the State Council.

Third, the work plans and specific measures for anticorruption struggle should be implemented. To ensure that the anticorruption struggle will achieve results at the present stage, the CPC Central Committee and the provincial party committee have formulated some work plans and specific measures. These measures include the examination of administrative honesty of party-member leading cadres and the strengthening of supervision and inspection on the anticorruption struggle. The provincial party committee has also approved and relayed the provincial discipline inspection commission's "report on the opinions to implement the CPC Central Committee's arrangements for the short-term anticorruption struggle." All functional departments in charge of guiding the anticorruption work should conscientiously draw up specific plans in accordance with the "opinions." All cities, prefectures, and counties and all the units directly under the provincial authorities should also draw up their plans in line with the "opinions," and pay attention to implementation.

Fourth, the system of relevant law- and disciplineenforcement departments making unified organization and coordination under the leadership of party committees should be implemented. All cities, prefectures, and counties should establish coordination organizations which are participated in by discipline inspection, supervision, justice, and law-enforcement supervision departments under the unified leadership of party committees. We should establish a contract system and hold meetings on a regular basis to coordinate the investigation and handling of large and serious cases and to study new situations and solve new problems in a timely manner. All departments should perform their own functions, closely coordinate with each other, and transfer the cases to be handled according to party and administrative discipline and laws and the cases involving economic sanctions to pertinent departments for handling more speedily so that the overall functions of supervision departments can be performed. Discipline inspection and supervision departments, courts, and procuratorates should concentrate efforts on the investigation and handling of a number of large and serious cases and typical cases in September and October, handling them publicly or circulating notices on them within the party. All persons involved in the cases, no matter who they are, should be investigated thoroughly and strictly handled according to party discipline and state laws. We should not treat them leniently using various excuses or because they promise no to repeat the same mistakes.

Fifth, the leadership and support of party committees and governments for discipline inspection and supervision departments should be implemented. As discipline inspection and supervision departments at all levels shoulder great responsibility in the anticorruption struggle, party committees and governments at all levels should strengthen leadership over discipline inspection and supervision work, listen to work reports frequently, and study ways to address the problems in work. They should support discipline inspection and supervision departments to carry out their responsibilities bravely and help them resolve some specific difficulties realistically. The provincial party committee and government have decided to ensure the supply of funds for handling cases despite the current strained financial resources. Meanwhile, discipline inspection and supervision departments at all levels should rely firmly on the leadership of party committees and governments, conscientiously perform their responsibilities, and strengthen supervision, inspection, organization, coordination, and work guidance to the anticorruption work.

When strengthening leadership over the anticorruption struggle, party committees and governments at all levels should follow the principles put forward by the central authorities and seek truth from facts to correctly distinguish the two different kinds of contradictions and to strictly implement policies. We should continue to persist in the criterion of "three advantages" and the principle of making discipline inspection and supervision work serve economic construction. We should both have the greatest determination to punish corruption and go all out to speed up reform, opening up, and the modernization drive; and both strictly punish corrupt elements and protect reformers. At no time should we waver about this. At present, we should emphasize work priorities and concentrate efforts to tackle the various corrupt phenomena in party and government organs, justice departments, law- enforcement administrative departments, and economic supervision departments. We should rely on the supervision, participation, and support of the masses and mobilize and encourage the masses to report crimes, but never launch mass movements or make everyone conduct self-criticism. We should have a good command of the leading role of the press, punish corruption and advocate healthy trends simultaneously, and at once greatly commend the typical examples in diligent and honest administration imbued with the spirit of this era and expose and criticize the various negative and corrupt phenomena. In short, we should have a firm attitude, work in a down-to-earth manner, and refrain from rushing headlong into mass action or raising a hue and cry to ensure healthy and orderly progress of this struggle.

Comrades, tasks are arduous and time is pressing for the current anticorruption struggle. It is hoped that party committees and governments at all levels will make overall arrangements for the work for the last four months of this year, closely coordinate the arrangements

for the anticorruption work with the endeavors of deepening reform and strengthening and improving macroeconomic regulation and control, persistently "attend to two tasks simultaneously and be competent in both," and use the practical results in the anticorruption work to promote and ensure the smooth progress of economic construction, reform, and opening.

# Liaoning Reports CPPCC Personnel Changes

SK0510122993 Shenyang LIAONING RIBAO in Chinese 19 Sep 93 p 1

[Text] Following is the personnel appointment and dismissal namelist approved at the third session of the Seventh Liaoning Provincial Chinese People's Political Consultative Conference [CPPCC] Committee on 18 September:

### Appointments:

Zhao Junming [6392 0193 2494] was appointed vice chairman of the Motions Committee under the provincial CPPCC committee.

Zhao Jie [6392 2658] was appointed vice chairman of the Cultural and Historical Data Committee under the provincial CPPCC committee.

### Dismissal:

Zhou Minxue was dismissed from his post of secretary general of the provincial CPPCC committee.

# Northwest Region

### Gansu Acting Governor Speaks on National Day

HK0410030093 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 30 Sep 93

[Excerpt] Gansu held a meeting yesterday morning [30 September] at the Hall of the Lanzhou Miwuzhuang Guest House. Sun Ying, deputy secretary of the provincial CPC committee, presided over the meeting and acting Governor Zhang Wule delivered an ebullient speech.

Zhang Wule said: We have gathered here today to mark the 44th anniversary of the founding of the PRC. On behalf of the Gansu CPC Committee, Advisory Commission, People's Congress, Chinese People's Political Consultative Conference [CPPCC], and Military District, I would like to express my heartfelt greetings and respects to the workers and peasants of all nationalities, retired cadres, intellectuals, broad ranks of cadres, officers and men of the People's Liberation Army [PLA] and armed forces, and policemen working at all fronts, as well as patriots from various circles.

Zhang said: In the 44 years since the founding of the PRC, like other parts of the country, historic changes have taken places in Gansu, putting an end to its original outlook of poverty and backwardness. He pointed out:

Particularly in the decade or so since reform and opening up, Gansu has attained new successes in its economy and other undertakings, and has enhanced its comprehensive strength. The rural economy has maintained sustained growth; industrial production has increased steadily; the economic setup has developed in a correct direction; the urban and rural markets are brisk; the infrastructure has improved; reform and opening up have spread further; the people's living standards have improved; and all undertakings, including science, technology, education, and culture, have developed considerably.

Acting Governor Zhang continued: Focused on economic construction, in the years ahead we should vigorously develop social productive forces and strive for a considerable growth of the national economy at an interval of a few years. At the same time, it is necessary to deepen reform; accelerate the pace of the building the socialist market system; open wider to the outside world; vigorously develop foreign trade, and economic and technological exchanges; resolutely struggle against corruption; and use the anticorruption struggle and clean administration to promote normal growth of various undertakings.

Liu Jingsong, commander of the Lanzhou Military Region; Cao Pengsheng, political commissar; Li Ziqi, head of the provincial advisory commission; Lu Kejian, vice chairman of the provincial people's congress standing committee; Shen Xiaozeng, chairman of the provincial CPPCC; Liang Peizeng, standing committee member of the provincial CPC committee and commander of the Gansu Military District; and veteran comrades Wang Shitai and Xu Feiqing attended the ceremony. [passage omitted]

# Xinjiang Hosts Northwest Economic Conference

OW0610024093 Beijing XINHUA Domestic Service in Chinese 0749 GMT 20 Sep 93

[By reporter Liu Guangniu (0491 0342 3662)]

[Text] Urumqi, 20 Sep (XINHUA)— A joint conference attended by major party and government leaders from five provinces and autonomous regions of China's northwest was held in Urumqi from 16-18 September. Leaders attending the meeting concentrated their discussions on the joint building of an international passageway, of making joint efforts to develop the markets in countries and regions west of China's northwest, and of striving to achieve great economic cooperation and development in northwest regions. They reached consensus on some major issues and held identical views on many others.

The leaders shared the same view that northwest regions should seize good opportunities, take full advantage of their geographical advantages in opening to the countries and regions west of China's northwest, jointly build a great international passage in the northwest, and make joint westward advances. They pointed out the need to develop the market in countries and regions in the west, and to forge economic cooperative relations with China's regions in the east. They also called for developing different levels of and diverse forms of cooperative relationships through various channels among themselves to bring into play the advantages shared by the regions in the northwest; to develop trade and economic cooperative relations with neighboring countries; to jointly explore central Asian, west Asian, south Asian and even European markets; to converge domestic and international markets; and with the great opening up, bring about the development of natural resources and great economic development in the nortwest regions.

Participants at the joint conference reached the following agreements regarding westward advances: Following the objective requirements on developing a socialist market economy, they will dismantle regional barriers which were products of a planned economy system; give preferential treatment to each other in the area of the free flow of goods and of personnel, and in the establishment of trade organizations and offices; will jointly step up improving roads and telecommunications for the great international passageway in the northwest, and bring about the smooth operation of railways, highways, aviation, and telecommunications; jointly step up infrastructure building of the Alataw Pass port and Huorguosi port and enhance their service functions, and benefits will go to those who invest; they will jointly develop border trade, promote project contracting, export labor, run enterprises in foreign countries, and develop tourist resources by jointly building a silk road tourist corridor; they will jointly build export processing bases, attract businessmen and investment, jointly build a northwest experimental zone at Xinjiang's Huorguosi port to expand opening up; and to meet with the requirements for joint westward advances, they will increase personnel exchanges and step up personnel training in the five provinces and autonomous regions in the northwest, jointly set up market information research organizations and a business information network, jointly carry out research projects, and build product processing

Delegates attending the joint conference included Zhang Boxing, secretary of the Shaanxi provincial CPC committee; Gu Jinchi, secretary of the Gansu provincial CPC committee; Ren Qixing, member of the Ningxia Hui autonomous regional CPC committee standing committee and executive vice chairman of the Ningxia Hui autonomous regional people's government; Tian Chengping, governor of Qinghai province; Song Hanliang, secretary of the Xinjiang Uygur autonomous regional CPC committee; Tomur Dawamat, chairman of the Xinjiang Uygur autonomous regional people's government; and Yuan Mu, director of the State Council Research Office.

# Foreign Ministry 'Open to' Talks on DPRK Office

OW0610082193 Taipei CNA in English 0738 GMT 6 Oct 93

[By Debbie Kuo]

[Text] Taipei, Oct. 6 (CNA)—The Republic of China [ROC] will keep its door open to North Korea for talks on Pyongyang's setting up an office in Taipei, the Ministry of Foreign Affairs said Tuesday.

However, the office must be set up by the two respective governments rather than by private agents, a ministry official said.

Taipei turned down a proposal raised last year by the private Pyongyang-based Kumgansan International Trade & Development Co., for the establishment of a North Korean trade office in Taipei.

The official added that the transportation issue between the ROC and North Korea must be solved before talks about the office continue. Air transportation between the two countries currently requires stopovers in both Hong Kong and Beijing.

# ROK Unapproved Use of Taiwan Postage Stamps Protested

OW0610092193 Taipei CNA in English 0742 GMT 6 Oct 93

[By Danielle Yang]

[Text] Taipei, Oct. 6 (CNA)—The Directorate General of Posts (DGP) Tuesday [5 October] protested South Korea's unapproved reproduction of Republic of China [ROC] postage stamps on government-issued telephone cards.

A series of eleven phone cards issued by South Korean Government decorated with copyrighted ROC postage stamps or National Palace Museum photos were discovered recently by the DGP.

DGP Director-General Hsu Chieh-kuei said his department did not approve the use of the postage stamps, nor did the National Palace Museum approve reproduction of their archive photographs.

The unauthorized reproduction of the stamps constitutes a blatant violation of Taiwan's intellectual property rights, Hsu warned.

Hsu said if the Korean Government had requested permission to use the stamps, the DGP would have approved the request.

But as Taiwan and South Korea have not signed a bilateral copyright protection agreement, the DGP is powerless to stop continued reproduction. Hsu argued

that Korea's actions will tarnish the country's image after the illegal reproductions are reported in the international media.

# Ministry on Mainland 'Sabotage' of Global Ties

OW0610060093 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 27 Sep 93

[Report by Liu Yu-mei; from the "Hookup" program]

[Text] To enable our countrymen to understand the Chinese Communists' true colors in suppressing our country's activities in the international community, the Ministry of Foreign Affairs published a report on cases of Communist China's global sabotage of our diplomatic activities with threats and inducements in nearly 40 countries and organizations in the past half year. The report, which is over 80 pages long, also reminds our countrymen to have a clear understanding of the Chinese Communists' true essence and reach a consensus on our common destiny. Please listen to the following report by Liu Yu-mei:

[Begin recording] [Liu] Seven Central American nations jointly submitted a motion to the United Nations with a request to establish a committee to study our country's membership status but were met with manipulation by the Chinese Communists, causing the motion to be rejected at the general committee of the UN General Assembly. Communist China's suppression of our country's international activities remains vivid in the memory of our countrymen. However, apart from this, examples of the Chinese Communists maliciously blocking and suppressing us in other countries and international organizations are nothing new and too numerous to record. According to information published by the Ministry of Foreign Affairs, from March to August this year, there were over 80 cases of Chinese Communists' malicious suppression of our country in over 40 countries and international organizations. The various methods used included bribery, inducements with the promise of economic and trade exchanges, political threats, military control, and written propaganda with disinformation. For example, in mid August, Ichiro Ozawa, secretary general of Japan's Shinseito [Japan Renewal Party] publicly welcomed President Li to visit Japan and approved the lifting of a ban on cabinet members' visits to the Republic of China [ROC]. The Communist Chinese Ministry of Foreign Affairs immediately declared its objection to exchanges in any form with Taiwan by countries having diplomatic relations with Communist China. In the African nation of Mauritius, the Chinese Communists used large sums of money to assist in constructing projects such as airport terminals, stadia, hospitals, and bridges. Because of this Mauritius spoke against the motion submitted by seven central American nations to the UN General Assembly. The Chinese Communists frequently shrieked and protested against exchanges between our country and the majority of European and American nations, including

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the United States, Britain, France, Germany, and Italy. Meanwhile, the Chinese Communists insisted the Vatican must first sever diplomatic relations with our country before relations can be improved between them. In addition, the Chinese Communists frequently resorted to bribery and inducement with the promise of economic and trade exchanges in their attempts to woo Paraguay and Costa Rica, our friendly nations. Therefore, Ouyang Jui-hsiung, spokesman of the Ministry of Foreign Affairs, especially called on our countrymen and the international community to attach importance to this phenomenon. He said: There are ulterior motives behind all Chinese Communists' foreign aid. It will be truly beneficial only if exchanges are established with the ROC.

[Ouyang] We have always assisted Third World countries and friendly nations. However, our assistance is aimed at upgrading the level of their economic development and improving their livelihood. This is what we have always done. However, the Chinese Communists have always lured them with assistance. We have to remind friendly nations not to fall into the trap of the Chinese Communists as there are motives behind their assistance.

[Liu] Meanwhile, the Ministry of Foreign Affairs will include the strengthening of foreign aid as one of its important tasks. On the one hand, we want to assist friendly nations and consolidate diplomatic relations with them; on the other, we want to repay the international community in the form of humanitarian aid. Currently, the Legislative Yuan has completed the examination of regulations concerning the establishment of an international cooperation and development fund. The Ministry of Foreign Affairs pointed out the current Legislative Yuan session can complete the second and third readings of these regulations so that tasks in foreign aid can be codified and made transparent and public. In addition, the budget will gradually be increased every year to reach the international standard of 0.07 percent of the gross national product, making us a country recognized for providing foreign aid in the international community, and building our country's good image. [end recording)

# 'Regret' Expressed at UN Withdrawal of CNA Pass

OW0510113593 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 27 Sep 93

[From the "Hookup" program]

[Text] Ouyang Jui-hsiung, spokesman of the Ministry of Foreign Affairs [MOFA], yesterday [27 Sep] openly expressed regret over the United Nations Information Office's forced withdrawal of the Central News Agency [CNA] correspondents' reporting pass. He called on the United Nations to uphold the basic spirit of attaching

importance to human rights and not yield to political pressure from outside. The following is Liu Yu-mei's report.

[Begin recording] [Liu] Yielding to the Chinese Communist authorities' pressure, the United Nations Information Office has forcefully withdrawn the UN reporting pass of the CNA's New York correspondents, on grounds that Taiwan is not a member of the United Nations and that correspondents of its official media should not be permitted to enter the United Nations for news coverage. The United Nations' action, which has ignored the principle of freedom of the press and has deprived the Taiwan public of its right to be informed, has caused widespread concern from outside. MOFA spokesman Ouyang Jui-hsiung this afternoon openly called on the United Nations to uphold the basic principle of attaching importance to human rights and not yield to political pressure from outside. He said:

[Ouyang] We highly regret the UN's withdrawal of our CNA correspondents' reporting pass. As an international organization that attaches great importance to human rights, the United Nations should uphold its own principles. We hope that the United Nations will uphold its basic spirit of attaching importance to human rights and not simply yield to pressure from outside.

[Liu] Liu Szu-yuen, deputy editor-in-chief of the CNA, said: The CNA is not an official media and has never spoken on behalf of the government; the United Nations should uphold the principle enshrined in the Universal Declaration of Human Rights and promote the spirit of freedom of the press. This should be applicable to both member and nonmember nations. Through the International Press Association, the CNA is now seeking further communications with the responsible unit of the United Nations for reissuance of its reporting pass. The MOFA deems it a workable channel and will offer the necessary assistance. [end recording]

# Li Teng-hui Comments on Reunification, UN Seat OW0510174193 Taipei CNA in English 1411 GMT 5 Oct 93

[By Sofia Wu]

[Text] Taipei, Oct. 5 (CNA)—The Republic of China [ROC]'s present efforts in constitutional reform and economic development should enable it to contribute more to Asian stability and world prosperity 10 to 20 years from now, President Li Teng-hui says in an interview with an Australian regional business magazine.

The written interview will be carried in the 10th birthday issue of ASIA TODAY to be published next Wednesday [13 September]. The English monthly is often used by the Australian Government as a reference in formulating its Asia-Pacific policy.

President Li says the ROC can contribute to the international community in terms of experience, resourcefulness, and economic power, and urges the United Nations to demonstrate its courage as a uniquely impartial international organization by accepting Taiwan's application as a UN member.

"The UN must not deny the right and the obligation of the 21 million people in Taiwan to participate in its various activities because of the Chinese Communist obstructions," Li stresses.

He continues that the ROC hopes Chinese on both sides of the Taiwan Strait will participate as equals in economic, cultural, technological and academic exchanges.

The president points out that detente between the two sides of the Taiwan Strait can never be unilateral. "It must be bilateral," he notes.

"We believe that relations between the two sides have more room to improve under the principles of reason, peace, parity, and reciprocity," Li explains.

He adds China's unification is the ROC Government's ultimate goal, but that there is no timetable for unification. "Any progress toward unification must be made in consideration of the international and the domestic environment and according to a set sequence of preconditions," the president asserts.

# SEF Asks for Protection of Taiwan People on Mainland

OW0510145693 Taipei CNA in English 1353 GMT 5 Oct 93

[By Benjamin Yeh]

[Text] Taipei, Oct. 5 (CNA)—The stabbing to death of a Taiwan businessman in the southeastern China province of Guangdong last week has prompted calls from Taiwan authorities for Beijing to take steps to protect Taiwanese operating on the mainland.

The victim, Chou Shuo, was slain when a group of hooligans stormed his Dongwan Karaoke club Oct. 2, just a week after it opened.

Two members of the club's staff were also injured during the incident. The suspects made away with money and are still at large.

Since March 1991, 18 Taiwan businessmen have been the victims of robberies or murders, according to Hsu Hui-yu, deputy secretary-general of Taiwan's Straits Exchange Foundation [SEF].

The SEF has asked its mainland counterpart, the Association for Relations Across the Taiwan Straits [ARATS], to lend a hand in apprehending the murderers.

The SEF has turned to ARATS for help in 13 of the cases, but has received help in only four.

Hsu said the murder underscores the necessity for Beijing to take steps to better protect the lives and property of Taiwanese businessmen on the mainland.

He expressed the hope that ARATS will soon list the issue on the topics for discussion in its meetings with the SEF. ARATS has previously refused to discuss the issue.

The Ministry of Economic Affairs and the Mainland Affairs Council jointly completed the draft for the protection of Taiwan investments on the mainland in April.

# Legislature To Form Committee for Exchange With France

OW0610092093 Taipei CNA in English 0821 GMT 6 Oct 93

[By Debbie Kuo]

[Text] Taipei, Oct. 6 (CNA)—The Foreign Affairs Committee of the Legislative Yuan decided Wednesday [6 October] to form a committee for friendly exchanges with France to further strengthen ties between the Republic of China [ROC] and the European nation.

The Foreign Affairs Committee also agreed to invite members of the National Assembly of the French parliament to visit Taiwan.

The move, unanimously approved by the committee members, was aimed at repaying the friendliness shown by the French parliament towards the people of the Republic of China, committee members said.

The French Senate committee for friendly exchanges with the ROC was formally established in 1984.

Headed by Jacques Genton, secretary of the French Senate Foreign Affairs and National Defense Committee, the Taiwan-friendly committee grouped lawmakers from five major political parties including rightists and leftists.

The committee has frequently sponsored activities promoting understanding between France and Taiwan, including inviting ROC personnel for opinion and information exchanges and sponsoring exhibitions introducing the latest developments in the ROC.

Members of the committee have also visited Taiwan several times since 1985.

The Taiwan Economic Development & Research Committee was established in May of 1989 by French national assemblyman Claude Gerard Marcus to promote parliamentary relations between Taiwan and France.

The committee remains one of Taiwan's top supporters in France. On January 10, 1990, it launched a major protest against the French government for cancelling sales of patrol frigates to the ROC.

# KMT Loses Majority in Legislature Committee

OW0510151393 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 29 Sep 93

# [From the "Hookup" program]

[Text] The Legislative Yuan on 29 September elected new assembly committee and procedural committee members for the current session. Since the Kuomintang [KMT] failed to secure enough votes and the Democratic Progressive Party [DPP] failed to keep the promise made during prior KMT-DPP consultations, the DPP and the New Party have won more than one half of the seats of the procedural committee, and the KMT has for the first time in more than 40 years become a minority party in the procedural committee. From now on, the legislative yuan members of the opposition parties will decide on the order of precedence of the bills to be deliberated.

While the KMT and the DPP are accusing each other of breaking promises and controversies still exist over the assembly committee election in the domestic affairs committee and the budget committee, the harmony at the 1 October meeting of the Legislative Yuan will be questionable.

The results of the procedural committee election of the Legislative Yuan have given the DPP the advantage of controlling the order of precedence of bills to be discussed. Since the election results directly affect the order of the bills which the DPP wants to discuss first, the cadres of the DPP group in the Legislative Yuan, after exchanging views on 29 September, have democratically decided to promote the precedence of such proposed laws as the draft provincial and county autonomy law, the municipal autonomy law, and the revised electoral and recall law. The decision will be finalized after discussion at the group meeting on 1 October.

# Export, Import Figures for U.S., Japan Released OW0610092493 Taipei CNA in English 0751 GMT 6 Oct 93

[By Bear Li]

[Text] Taipei, Oct. 5 (CNA)—The United States and Japan were Taiwan's main export target and import source respectively in September, according to customs statistics.

Taiwan's September exports reached US\$6.51 billion. The US took the lion's share—US\$1.84 billion, or 28.3 percent; followed by Hong Kong, which took US\$1.46 billion, or 22.4 percent; and Europe, which took US\$900 million, or 13.8 percent.

The US, Hong Kong and Europe also occupied the top three positions in absorbing Taiwan's January-September exports, which totaled US\$63.3 billion. The US took a total of US\$17.5 billion, or 27.6 percent worth of goods; Hong Kong, US\$13.6 billion, or 21.6 percent; and Europe, US\$9.6 billion, or 15.2 percent.

Meanwhile, Japan retained its status as the top supplier to Taiwan in September. It sent US\$1.72 billion worth of products, accounting for 30 percent of Taiwan's total imports of US\$5.93 billion. The US was second, with US\$1.24 billion, or 21 percent, and Europe, US\$1.11 billion, or 18.7 percent.

Japan, the US and Europe also contributed the most goods to Taiwan in the January-September period. Japan sent products worth US\$17.2 billion (29.9 percent), the US exported goods worth US\$12.4 billion (21.6 percent), and Europe's exports to Taiwan totaled US\$10.3 billion (18 percent).

# Trade Surplus Falls 'Significantly' in Jan-Sep OW0510174993 Taipei CNA in English 1406 GMT 5 Oct 93

[By Sofia Wu]

[Text] Taipei, Oct. 5 (CNA)— Taiwan's trade surplus declined significantly in the first nine months of this year because of shrinking exports to its traditional markets such as the United States, Japan and Europe.

According to customs statistics released Tuesday [5 October], Taiwan registered a trade surplus of US\$5.74 billion for the January-September period, a decrease of 22.1 percent from the year-earlier level.

The statistics show Taiwan exported US\$63.3 billion worth of goods during the nine-month period, while its imports totaled US\$57.56 billion.

The United States remained Taiwan's largest export outlet, absorbing US\$17.5 billion worth of products. Japan was the top import source, shipping US\$17.22 billion worth of goods.

Hong Kong has emerged as Taiwan's largest source of trade surplus, customs authorities said. Taiwan enjoyed a trade surplus of US\$12.37 billion with Hong Kong, an entrepot for indirect trade between Taiwan and Mainland China, for the first nine months of the year. The figure represents a 27.4 percent increase over the year-earlier level.

Taiwan exports to the US, Japan and Europe have all declined this year, but imports from the three regions have risen steadily. As a result, Taiwan's surplus with the US totaled only US\$5.08 billion for the nine-month period, down 19.9 percent from the year before.

In contrast, Taiwan's trade deficit with Japan surged 11.6 percent to US\$10.47 billion. Worse yet, Taiwan incurred a trade deficit of US\$1.14 billion with Europe, compared with a trade surplus of US\$750 million registered for the same period of 1992.

# Conference Discusses Drugs, White-Collar Crime OW0410144893 Taipei CNA in English 1359 GMT 4 Oct 93

[By Lilian Wu]

[Text] Taipei, Oct 4 (CNA)—A symposium on how to combat drug-related and white-collar crime opened at the Taipei International Convention Center Monday [4 October].

Drug enforcement, immigration and police officials from 24 countries, including the United States, Brazil, Britain, Thailand, Mexico and Argentina, are participating in the three-day conference.

Vice Premier Hsu Li-teh opened the symposium by saying that the Republic of China [ROC] has joined hands with the private sector and other countries to fight against drug trafficking.

Justice Minister Ma Ying-jeou said the problems of drug trafficking and white-collar crime in the world have worsened because of rapid political and economic changes occurring since the end of the Cold War, and that an effective crackdown can only come about through international cooperation.

Wilson Brandi Romao, director-general of Brazil's Federal Police Force, also expressed the hope for such an international network. He said Brazil is especially in need of help as one of the major fulcrums of drug trafficking.

### Navy Rescues Panamanian Cargo Ship Crew Members

OW0510175093 Taipei CNA in English 1416 GMT 5 Oct 93

[By Bear Li]

[Text] Keelung, Oct. 5 (CNA)— A Republic of China [ROC] navy ship Tuesday [5 October] came to the rescue of five Panamanians left afloat after their cargo ship sank

Three of the men were rushed to a hospital for treatment of injuries.

Upon receiving reports that the Panamanian ship "Eastern Glory" was capsizing on waters 45 nautical miles northwest of Keelung, the Navy went to the scene, where it plucked the crew from a lifeboat.

# Frigates To Be Commissioned; More May Be Leased

OW0510173993 Taipei CNA in English 1414 GMT 5 Oct 93

[By Benjamin Yeh]

[Text] Taipei, Oct. 5 (CNA)— Three knox-class frigates being leased from the United States will be commissioned into the Republic of China [ROC] Navy Wednesday [6 October], a Navy spokesman said.

The three 3,010-ton battleships arrived in Osuoying in southern Taiwan Sept. 29 from Long Beach, California.

The Navy favors the frigates for their anti-submarine capabilities, even though they were first launched in 1972, sources close to the Navy said.

The sources added that the Navy is likely to lease up to eight more of the frigates from the United States as part of the ROC's naval build-up.

The frigates are armed with Mk-16 missile launchers [Triple 6 inch Mk 16 Gun Mounting] and locally Built Hsiung Feng ship-to-ship missiles [Hsiung Feng Anti-Ship Missile].

# Hong Kong

# Reportage on Issues Related to Reversion, Talks

# Deng Pufang's Comments

HK0510142993 Beijing ZHONGGUO XINWEN SHE in English 1354 GMT 5 Oct 93

[Text] Beijing, October 5 (CNS)—President of China's Association for the Disabled, Mr. Deng Pufang, speaking in an interview with this agency today, said that the publishing of Deng Xiaoping's speech made in 1982 on the Hong Kong issue showed the consistent stand the Chinese Government has maintained on Hong Kong's peaceful transition and long-term prosperity.

Mr. Deng said he believed that maintaining Hong Kong's peace, stability, prosperity and development was not only beneficial to Hong Kong, but also for the Mainland. The fact that China has recently published this historic speech indicates China's long-term decision. He added that any problems concerning Hong Kong could be solved in a proper way.

Speaking on work for the disabled in China, Mr. Deng said that the achievements made by the association in the past five years was basically due to China's reform and opening to the outside world and the upgrading of the people's living standard. There will, he said be even greater development of work to help the disabled in the years to come.

As for funding for the disabled, Mr. Deng said that much of the funds came in the form of donations from Hong Kong and Macao. The funds received by the association went to meet urgent needs after careful scrutiny.

# Li Lanqing: Policy 'Will Not Change'

HK0610031293 Hong Kong TA KUNG PAO in Chinese 5 Oct 93 p 12

["Special dispatch" by staff reporter Lu Yuan-hua (7120 0337 5478): "When Meeting a Hong Kong Shipping Delegation, Li Lanqing Stresses China's Policy Toward Hong Kong Will Not Change"]

[Text] Beijing, 4 Oct—When meeting a Hong Kong shipping delegation in the Ziguang Mansion of Zhongnanhai today, Vice Premier Li Lanqing said the policy of "one country, two systems" and "Hong Kong people administering Hong Kong" will not change, no matter what the outcome of the Sino-British talks.

He commented on Chris Patten's constitutional reform package by quoting remarks expressed in New York by Qian Qichen, vice premier and foreign minister, and stressed that as of 1 July 1997 everything will be done according to the Basic Law.

He told the people from Hong Kong shipping circles who were present at the meeting that he sincerely was explaining this basic position to make Hong Kong people rest assured. The problem now is how to follow the "three conformities" principle in making arrangements acceptable to both sides.

On Hong Kong's new airport, he indicated that the Chinese Government's position is very clear: Hong Kong's economic development needs an airport. Previously both sides had reached an understanding, but the cost is becoming higher. How will the Special Administrative Regional [SAR] Government undertake the burden? "If the British Government will undertake the burden, we do not care. Because the SAR Government will undertake the burden, we must consider it seriously."

He continued: "Hong Kong's prosperity and stability are the wish of Hong Kong compatriots and are also China's objective needs. We have full confidence in Hong Kong's future."

Li Lanqing hoped that people in Hong Kong shipping circles will strengthen exchanges and cooperation with the mainland. The mainland, of course, should actively develop the shipping business and fully use Hong Kong's advanced shipping system to strengthen cooperation and to benefit each other, he said, adding that the future is promising.

Consideration will be given to how the strong points of Hong Kong and the mainland should be integrated so that these strong points can be developed and brought into play after 1997, he remarked.

He continued: Why has there been so much reexported cargo from the mainland? Because there are no adequate outward-bound shipping routes. Some countries need commodities from China, but these commodities cannot be transported because there are no shipping routes to these countries.

He hoped that Hong Kong shipping merchants will cooperate with mainland shipping departments in various ways in building warehouses in coastal ports' bonded areas and in exploring the shipping business. Playing the role of a bridge, Hong Kong is the mainland's channel to the world. He hoped that Hong Kong shipping merchants will bring foreign investors to China for common development on the mainland.

Li Lanqing said that China is now in the crucial period of overall reform and that the principle to be applied is sustained, speedy, and healthy economic development in China. With economic development, cooperation between the mainland and Hong Kong in all fields will become closer.

Wang Qiren, deputy director of the State Council's Hong Kong and Macao Affairs Office, was present at the meeting.

# Patten Warned Against 'New Obstacles'

HK0610031493 Hong Kong SOUTH CHINA MORNING POST in English 6 Oct 93 p 6

[Report by Doreen Cheung and Linda Choy]

[Text] A senior Chinese official yesterday warned the Governor not to erect "new obstacles" in his second policy address. Zheng Guoxiong, a vice director of the local branch of XINHUA (the New China News Agency), said he hoped Mr Patten would introduce neither new conflicts nor new obstacles to Sino-British relations and the negotiations on Hong Kong's political reform. Recalling that Mr Patten had talked about strengthening Sino-British relations in his inaugural address, Mr Zheng accused him of not practicing what he had preached. "I think Hong Kong people can tell whether Sino-British relations have been improving or deteriorating throughout last year," he said. He attributed the political row to the British move to unveil a political package straddling 1997 without prior consultation with China. Mr Zheng said China still hoped progress could be made in the next round of talks.

Another XINHUA vice-director, Zhang Junsheng, said China should not be held responsible for the deadlock in Sino-British relations. "The relations between China and Britain are basically good since the signing of the Joint Declaration. During the past two years, we have not done anything on our side to obstruct the cooperation between the two countries." he said.

In Beijing yesterday, Deng Pufang, son of patriarch Deng Xiaoping, said it was unlikely China would take back Hong Kong before 1997. Mr Deng Pufang said he believed China would strive to achieve a smooth transition. He said he did not think the question of an early takeover was likely to arise, and added that he would accompany his father on a visit to Hong Kong in 1997.

### UK Blamed on 'No Progress' Talks

OW0610052993 Beijing XINHUA Domestic Service in Chinese 0750 GMT 3 Oct 93

[Text] Hong Kong, 3 Oct (XINHUA)—In answering reporters' questions at a National Day reception sponsored by the Hong Kong press, Zhang Junsheng, deputy director of the Hong Kong branch of the XINHUA NEWS AGENCY, pointed out: The Chinese side hoped that China and Britain would attain a breakthrough at the New York meeting between the foreign ministers of the two countries, but no progress was made at the meeting, the responsibility for which does not rest with the Chinese side.

Zhang Junsheng said: British Secretary of State for Foreign Affairs Hurd indicated the day before yesterday that if no agreement could be reached at the negotiations, Britain would take the responsibility for submitting Chris Patten's "political reform program" to the Legislative Council for deliberation. In this connection, Zhang Junsheng pointed out: "I think Mr. Hurd might

make a mistake in saying so." The British side should assume responsibility for implementing the Sino-British Joint Statement in an all-round way, to be responsible for the administration of Hong Kong during the transitional period, and to maintain Hong Kong's prosperity and stability. Meanwhile, it should consult fully with the Chinese side on how to bring about a smooth transition in Hong Kong.

Zhang Junsheng said: It is absolutely not the responsibility of the British side to submit to the Legislative Council the "political reform plan" which was put forward by Chris Patten last October and which constitutes the "three violations." If the British side does so, it fails to abide by the Sino-British Joint Statement, to keep its promise that "the development of Hong Kong's political system should converge with the Basic Law," and to observe the understandings and agreements reached between China and Britain.

# UK Faulted for 'Fruitless' Talks

HK0610045493 Hong Kong WEN WEI PO in Chinese 5 Oct 93 p 2

[Editorial: "China Will Not Make Concessions on Matters of Principle"]

[Text] Shortly after his meeting with Qian Qichen, British Foreign Secretary Douglas Hurd gave an exclusive interview to a Hong Kong newspaper. During the interview, Hurd claimed that "the Chinese side has to take generous moves if an agreement is to be reached." He also indicated that "China's failure to make enough concessions" was the cause of previous fruitless talks.

These remarks are quibbles that confuse truth and falsehood. It has been known to all that China and Britain have held 12 rounds of talks on 1994/1995 electoral arrangements. The news released before each talk made clear that the talks were to be carried out "on the basis of the Sino-British Joint Declaration, Basic Law of Convergence, as well as all the understandings and agreements previously reached between China and Britain."

Talks cannot be carried on without a principle or basis. Who on earth, far from abiding by the principle of "three conformities," is constantly beating around the bush, demanding an exorbitant price, and wasting time? The Hong Kong people are very clear that the British side is the cause of the previous unsuccessful talks. Now the British side is making unfounded counter-charges, and has blamed the Chinese side, which is trying to uphold the principle of "three conformities," for "failure to make enough concessions." All these charges are utterly unjustifiable.

The Sino-British Joint Declaration must be safeguarded, the Basic Law of Convergence be upheld and the agreements reached between China and Britain be fulfilled. This is an issue of keeping promises. If previous agreements are not to be observed, Hong Kong's smooth transition and handover will be out of the question, and

all the solemn agreements will become a mere scrap of paper. The Chinese side holds itself responsible to history and to the interests of the Hong Kong people, and will never make concessions to any desertions of agreements nor will it ever barter away principles. The Chinese side recently published Deng Xiaoping's remarks to stress its stance that China will not budge an inch on the issue of sovereignty, and that China is always true in word and resolute in deed.

The Chinese and British foreign ministers reached understanding and agreements on the principle and major issues of the 1994/95 elections as early as the beginning of 1990. It was only after Chris Patten came to Hong Kong as governor, broke previous promises, and went his own way that controversies arose between China and Britain. As long as promises are kept, there will not be marathon talks. It serves to show that the obstacles lying in the way of the talks are laid there by the British side, not by the Chinese side. The Chinese side need not ask the British side to make any "concessions" either; what it requires is that the British side fulfill its obligations under previous agreements and do what it ought to do.

During the aforementioned interview, in an attempt to shirk responsibility, Douglas Hurd mentioned nothing about the principle of "three conformities" on which the talks are based. Instead, he claimed that time has changed and the appetite for democracy is also different. He also indicated that "today, in 1993, this certainly includes a louder voice for a greater democracy," making it as an excuse for the British side's desertion of previous promises and its move to ask for an exorbitant price. Today, in 1993, who has instigated people not to carry out agreements reached between China and Britain or the Basic Law of convergence, and has presented a petition in front of Government House demanding a "100-percent direct election?" All the Hong Kong citizens can see it is Loh Kung-wai, a Legislative Council member appointed by Chris Patten. As a matter of fact, this is just a farce directed by Chris Pattern himself. Through his meeting with the heads of the United Democrats of Hong Kong in the capacity of prime minister, John Major also intended to press for the so-called "democratic demands," create a false impression that "there are greater demands for democracy," and then refuse to fulfill the promises or shoulder the responsibilities of the British side.

By no means should diplomatic agreements reached between countries be treated as fresh seafood, the price of which can vary between the morning and the evening, nor can anyone say that he does not have to carry out agreements reached several years ago on the excuse that the present price has changed. If such false reasoning worked, any of the two sides could make arbitrary amendments to and even break agreements they had reached earlier. Would there then still be international credit and international laws? If this is the case, Douglas Hurd's so-called reason that "demands for democracy are different in 1993" is actually a violation of both the

legal system and the principle of agreement. This fact can prove clearly that the British side is to be blamed for 12 rounds of unyielding talks.

The present talks between China and Britain on electoral arrangements are focused on the issue of the through train. Were it not for convergence, there would be no need for any talks. The Hong Kong people are fully aware that only when agreements are reached on the 1994/95 electoral arrangements can there be a basis for talks on the through train issue. Instead of trying to abide by the principle of "three conformities," the British side, on the one hand, raised a suggestion that cannot dovetail with the Basic Law; on the other hand, it claimed that it demanded a through train arrangement. This is a trick of putting the cart before the horse. How much sincerity the British side has in ensuring a smooth transition and in working out a through train arrangement that dovetails with the Basic Law is open to doubt.

No suggestion that goes against the Basic Law can succeed, for it would be in violation of the consensus on the principle of "three conformities" reached by China and Britain long ago. Whether or not the talks can make headway depends on whether or not the British side has the intention to act in accordance with the principle of three conformities. If the British side has such intentions, an agreement on the electoral arrangements can be reached in the near future.

### 'Special Article' on UK's Approach

HK0510145493 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0943 GMT 5 Oct 93

["Special article" by correspondent Gan Cheng (3927 2110)]

[Text] Hong Kong, 15 Oct (ZHONGGUO TONGXUN SHE)—So far there are no signs that China and the United Kingdom are anywhere near an agreement in their talks on the 1994 and 1995 electoral arrangements for Hong Kong. Furthermore, the meeting between the foreign ministers of the two countries in New York has not brought any light or hope to the negotiations.

The UK's continual signaling that Chris Patten is going to present the constitutional reform package he put forward on 7 October last year to the Legislative Council [Legco] shows that, after a year-long dispute, five months of marathon-style talks, and all that bargaining, the UK is still sticking to its "three violations."

Because meetings have been scheduled for October between China and the UK, it is expected that, barring some unforeseen incidents, Chris Patten will not be so impatient that he cannot wait to present his constitutional reform package to the Legco in his policy address on 6 October; that would mean that the UK has unilaterally stopped Sino-British negotiations and closed the door on talks.

Still, given Chris Patten's record that, despite ojections, he gazetted his reform package on 12 March this year, thus closing the door on Sino-British talks, there is the possibility that he just might, at any time, present his reform package to the Legco. With all the disturbances over the last year still fresh in the memory, people have become wise and have learned not to entertain impractical illusions.

The Chinese side has to this day stressed that it hopes that the UK can follow the principle of the "three conformities," show sincerity, and bring the talks to an agreement. But China is also prepared for the eventuality that the talks will break down and Chris Patten will force through his reform package. Wang Qiren, Hong Kong and Macao Affairs Office deputy director, stated clearly that if the talks fail to produce an agreement owing to the UK's violation of the "three conformities" principle, the Legco members returned by the 1995 elections will see their terms cut short on 30 June 1997; and on 1 July 1997 the Hong Kong Special Administrative Region [SAR] will elect a Legco of its own in accordance with the provisions of the Basic Law.

Despite the UK's high profile and claims of working to make the talks a success, it has been a long time since anybody has heard people from the British side bringing up the "three conformities" as the basis for talks. In a special interview with a Hong Kong newspaper after meeting with Chinese foreign minister Qian Qichen in New York on 1 October, British Foreign Minister Douglas Hurd said nothing about the "three conformities" as the principle for the talks. The British side mainly stressed: "The through train is most important," "the passengers and the train must go through unconditionally," and that "the Chinese side should first set up an objective criterion for the through train."

The Chinese side has never denied the importance of the through train, to the extent that it even thinks it is the objective of the entire negotiations. But the rails for the through train must be laid on the foundation of the "three conformities." The solution of the entire Hong Kong problem would be deprived of its premise if the Sino-British Joint Declaration were violated; and it would amount to going back on one's word and a breach of faith if the understanding and agreements reached between China and the UK were thrown overboard. What, then, would be the meaning of a new agreement? There will not be any basis for a smooth transition without converging with the Basic Law.

The ongoing Sino-British negotiations are about Hong Kong's 1994 and 1995 electoral arrangements. But the UK is demanding strongly an "objective criterion for the through train," placing its importance over the overall electoral arrangements. This is putting the cart before the horse.

More importantly, the UK has been insisting on "first of all setting an objective criterion for the through train." But the Basic Law and the relevant provisions of the National People's Congress state explicitly that it is the right of the SAR Preparatory Committee, which was set up in 1996, to confirm whether Legco members returned by 1995 elections can ride through 1997 to become members of the legislature of the SAR government. The UK's "advance" requirement is completely unreasonable; it violates the Basic Law and is asking the impossible from China.

It seems that there will not be light at the end of the tunnel for Sino-British negotiations if the UK does not return to the basis of the "three conformities," much less reaching an agreement!

# Paper Conducts Poll on Patten, Policy, Reform

HK0410005593 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 3 Oct 93 pp 1, 4

[Report by political editor Danny Gittings and Quinton Chan]

[Text] Hong Kong wants Governor Chris Patten to put building bridges with Beijing at the top of the agenda in his policy address this week. A SUNDAY MORNING POST poll found 50 percent believe better relations with China should be one of Mr Patten's top three priorities when he addresses the Legislative Council on Wednesday, while only 21 percent mentioned democracy. The airport, education, social welfare and health were also seen as more important priorities than democracy. However, democracy still came out ahead of retirement protection, transport, inflation, corruption, the environment, and law and order.

The survey also revealed extensive apathy towards Wednesday's address—although a sizeable number claim they will tune into the live television and radio coverage of it—coupled with a belief Mr Patten has lost some of his influence, and now counts for less than China's top official on Hong Kong affairs, Lu Ping. Forty-two percent of those surveyed said Mr Lu had the most influence over local affairs, compared with 38 percent who chose Mr Patten in the Hong Kong Polling and Business Research (PBR) poll of 439 people on September 29. The response rate was 60 percent.

PBR managing director Citi Hung Ching-tin said the results were bad news for the Governor ahead of his policy address. "He's becoming irrelevant, a lame duck in his own way," said Mr Hung. "However, he still has enough time left to try and rectify the situation." But Liberal Party leader Allen Lee Peng-fei was not surprised at the result, and predicted future polls would show an even more pronounced trend: "Perhaps more people will choose Mr Lu if this question is asked again next year." Thirty-two percent said Mr Patten had become less influential since his last policy address, although 41 percent detected no change, and 19 percent believed he had grown in influence.

Twenty-eight percent thought Mr Patten had become a worse Governor over the past year, although 13 percent

believed he had improved, and 52 percent detected no change. However, there was still more interest in Mr Patten's actions and opinions than those of Mr Lu. The survey also found that, whether justified or not, Mr Patten has been unable to shake off the tag of being a "one-issue Governor", with 53 percent saying he spends too much time talking about political reform, while 37 percent disagreed.

There was widespread apathy towards the policy address, with 53 percent saying they had little or no interest in what Mr Patten will say on Wednesday, while 33 percent expressed some interest, and only six percent expressed a high degree of interest. But 47 percent said they would tune in to the live broadcasts of the policy address, with a further 29 percent considering doing so. Only 24 percent said they would definitely not do so. However, Mr Hung cautioned this sort of finding invariably over-represented the numbers who will actually tune in, and should be discounted by 40-60 percent.

United Democrat legislator Cheung Man-kwong said the results reflected a popular belief that Mr Patten was too political. "It is very natural that people want better relations with China and a solution to the airport problem, as they have been the controversial subjects for a long time. People want the Governor to sort them out as soon as possible," he said.

When asked whose actions and opinions they were most interested in, 44 percent chose Mr Patten, 30 percent suggested Mr Lu, and 10 percent nominated Mr Li. Four per cent selected actress Veronica Yip Yuk-hing.

# Officials Request U.S. Help After Drug Seizure

HK0410010793 Hong Kong THE SUNDAY STANDARD in English 3 Oct 93 p 5

[Report by Marnie O'Neill]

[Text] Drug-busters have asked the US Drug Enforcement Administration for assistance following the seizure of a record eight kilograms of cocaine with a street value of \$13 million. Customs Drug Investigations Bureau officers also seized three grenades, two semi-automatic pistols and 66 rounds of ammunition during a raid of a Sha Tin residential building on Friday [1 October] night.

Head of the bureau, Lawrence Wong, said the cocaine had been smuggled in from South America and was destined for the local market. The cocaine had an estimated purity of 90 per cent and was found in both block and powder form, Wong said.

A 25-year-old Peruvian Chinese merchant was arrested and later charged with drug trafficking and possession of arms and ammunition. He is being kept in police custody and is due to appear in Sha Tin Court tomorrow. If convicted, the man could face a maximum prison sentence of 30 years.

Wong said customs was liaising with the US agency to gather information on cocaine distributors in the hope of more arrests. He said that although cocaine use was "generally restricted to a small and affluent section of the community", the market was expanding. "Looking at the statistics, it is obvious that the demand for cocaine is increasing. I don't want to speculate on how much slips through customs each year."

Almost 16 kilograms of cocaine has been seized in the territory so far this year. The previous record seizure involved 7.5 kilograms in 1991. Friday's bust took place after customs officers received a tip-off that a residential building in Chui Tin Street, Sha Tin, was being used as a cocaine storage and distribution centre. Officers stopped and searched the Peruvian Chinese man as he was leaving the building and found a packet containing 35 grams of cocaine inside his trouser pocket. He was escorted back to a third floor flat where the drugs and ammunition were found in two bedside cabinets. A search of another residential flat in Tsim Sha Tsui resulted in a further seizure of three grams of cocaine.

Wong said one of the seized pistols was Hungarian made and the other was made in China. It was possible the weapons, thought to have been smuggled in from China, were being used to guard the cocaine or had even been used in robberies, he said.

### Jiang Zemin Meets Hong Kong Entrepreneur

OW0610084393 Beijing XINHUA in English 0751 GMT 6 Oct 93

[Text] Beijing, October 6 (XINHUA)—Chinese President Jiang Zemin met here today [6 October] with Li Ka-shing, chairman of Hutchison-Whampoa Ltd. of Hong Kong, and called the businessman "a real patriot".

The Hong Kong entrepreneur came here to attend a signing ceremony held here Tuesday for a contract on the Shenzhen Yantian International Container Terminal joint venture.

Jiang welcomed Li's investment in the Shanghai port and the Yantian port. Jiang said that port construction, a necessary precondition to economic development, is a weak link in the country's national modernization drive.

The president said he appreciated Li's courage and insight in investing the mainland's port construction, which requires a huge amount of investment and a long period of time to recoup outlays.

During the meeting in Zhongnanhai, headquarters of the Chinese Communist Party's Central Committee and the central government, Jiang also expressed his thanks for the entrepreneur's concern and support for the mainland's cultural, educational and social affairs.

The Hong Kong businessman said that the marked achievements the mainland has made in its reform and opening to the outside world have belped enhance the confidence of Hong Kong industrialists and businessmen in putting their investment in the mainland.

Also present at the meeting were Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council, and Deng Pufang, chairman of the China Disabled Persons' Federation.

# Mainland Leaders Attend Donation Ceremony

OW0510134493 Beijing XINHUA in English 1319 GMT 5 Oct 93

[Text] Beijing, October 5 (XINHUA)—Li Ka-shing, chairman of the board and managing director of Cheung Kong (Holdings) Limited, and his subordinate firms have donated 100 million H.K. dollars To the China Welfare Fund for the Handicapped.

This was announced here today by an official with the mainland fund at a ceremony to mark the donation. Senior party and government officials Li Ruihuan, Li Lanqing, Sun Qimeng, Wang Guangying, Peng Peiyun, Luo Gan and Ngapoi Ngawang Jigme attended the ceremony.

However, the publishing of the news has been delayed for two years. The decision to make the donation was made in 1991 by Li Ka-shing and the firms, according to Deng Pufang, president of the China Welfare Fund for the Handicapped.

The money was donated to help the fund to fulfil its Eighth Five- Year Plan (1991-1995), and Li personally wants to avoid publicity about his own donation, Deng noted

The funds have been used to treat handicapped children who suffer from sequelae of infantile paralysis and deaf-mutism or are mentally disabled.

Several millions of handicapped people have benefited from the projects funded with the donation.

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